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mediate income tax cut of £1.3 bn. • Further £1bn. on conditions • Indirect taxes up £800m.

Budget tax cuts again linked to pay

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

DENIS HEALEY, the Chancellor of the Exchequer, yesterday made his bid to win agreement for the next stage of the pay policy after July with a two-part reduction in income-taxing to £2.3bn. in a full year.

Early £1bn. of the cuts in a full year will be made in a satisfactory agreement on a new pay policy being reached, but just under £1.3bn. of the cuts will come into force immediately.

The Budget speech, which was shorter than in previous years, followed the generally-expected line, as some tax cuts are to be offset in part by increases in indirect taxes of about £800m. in a full year.

The Chancellor did not spell out the exact details of the link between the conditional part of the tax cuts and the pay talks, apart from saying that the need for an agreement, which is central to our inflation objectives. To the extent that such an agreement is reached, the scope of all tax relief would be that much smaller.

The Chancellor's budget which was linked to a specified limit being agreed in the subsequent pay talks attracted considerable criticism at the time of the trade union leaders.

Healey did, however, "fully endorse" the findings in the recent TUC Economic Review to the effect that a single figure pay-price equation.

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A clue at least to the Government's thinking is the working assumption in the Treasury's forecast that an agreement on pay increases after July, 1977, should hold the rate of increase in earnings close to that experienced under the present limit. This implies a rise in earnings of around 8 to 10 per cent., though no doubt the Government will approach the talks with a different proposal. The hope is for a decision from the TUC by June, which would permit the necessary changes to the Finance Bill with rebates being paid later in the summer.

The income tax reliefs are designed in particular to help those at the bottom and middle levels of the range. Nearly 850,000 people will stop, or not start, paying income tax. Further up the scale, a rise in bands is designed to keep skilled workers out of higher rates and to adjust differentials among middle-managers in particular.

Mr. Healey offered the prospect that if a satisfactory pay agreement could be reached, the rate of inflation would fall to single figures by the second quarter of 1978. A 9 1/2 per cent. rise in the retail price index is projected for the year to the second quarter of 1978 with an increase of 13 per cent. in the 12 months to the fourth quarter of this year. The Budget measures will raise prices by about 1 per cent. by the end of this year.

Consequently "living standards, which have fallen sharply over the past six months, should at

least stabilise at something close to their present level," Mr. Healey commented. "We are now through the worst."

The expected stimulus to the economy will be small with a projected boost to output of only a little over 3 per cent. by this time next year as a result of the Budget measures.

Mr. Healey said that there was scope for a "carefully controlled fiscal stimulus to make at least a start in expanding domestic demand by reducing the burden of income tax" within the "significant headroom" of the latest borrowing requirement and monetary forecasts.

The Chancellor, who commented that "if anything, he must err on the side of caution this year, said in his television broadcast last night that this Budget could be the first of a whole series "which put money back into pay packets."

The combined effect of the tax changes will be to reduce revenue by about £1.5bn. in a full year, though rather less in 1977-78 and bring the public sector borrowing requirement for the next financial year to a new forecast level of £8.47bn.

This compares with a ceiling of £8.7bn. agreed with the International Monetary Fund last December and a revised estimate of the outcome for 1977-78, before the Budget changes, of about £7.7bn. The revision downwards of £1.1bn. since December mainly reflects "better prospects for employment,

	WEEKLY PAY	VALUE OF TAX RELIEFS equivalent to increase in gross weekly earnings of-				
		£1	£2	£3	£4	£5
Single person	£50	1.0	2.0	3.0	4.0	5.0
	£100	2.0	4.0	6.0	8.0	10.0
Married couple (wife not working)	£50	1.0	2.0	3.0	4.0	5.0
	£100	2.0	4.0	6.0	8.0	10.0
Married couple with 2 children (wife not working)*	£50	1.0	2.0	3.0	4.0	5.0
	£100	2.0	4.0	6.0	8.0	10.0

* Takes account of transition to child benefit

The chart shows the benefit of the total tax reductions in terms of an addition to GROSS earnings applying 1976-77 tax and insurance rates.

Interest rates and the exchange rate" since then. This might be a cautious figure since the borrowing requirement estimate for the current financial year has moved down from £11.2bn. to about £8.8bn. since December, though it is admitted

Continued on Back Page

BUDGET SUMMARY

Personal allowances up

REDUCTIONS: Totaling £2.1bn. in 1976-77, of these are contingent on a satisfactory new pay policy. Includes giving increased allowances the effect on first pay day after additional cut in basic rate will be from April 6.

ALLOWANCES: Single person's widowed wife's earned income allowance up to £805. Married allowance up to £825.

PERSONAL ALLOWANCES: £70 to £420. Age allowance for 65 up to £1,080 for single and £95 for married people.

INCOME TAX: Changes take 845,000 of income tax net next year.

TAX BAND: Level at which higher come payable raised by £1,000 to £1,000. Will take 300,000 people out of tax net.

TAX RATES: Thresholds for higher rates raised by between £1,000 and £1,000—45 per cent., £8,000-£9,000—55 per cent., £9,000-£10,000—55 per cent., £10,000-£12,000—55 per cent., £12,000-£14,000—55 per cent., £14,000-£16,000—55 per cent., £16,000-£21,000—55 per cent., over £21,000—55 per cent.

INCOME SURCHARGE: 10 per cent. surcharge raised £1,500; starting point for 15 per cent. surcharge raised to £2,000.

PERSONAL TAX RELIEFS: Full year.

ANNUITIES: Limit on size of annuities on which self-employed claim tax relief raised from £2,350 to £2,500. Proportionate increases for those before 1916 and for special types first introduced in 1971.

EARNINGS: Tax relief on 25 per cent. of earnings from work overseas for working abroad for 30 days or more. Similar relief for those with employment with overseas companies to carry out all their duties regardless of length of absence.

Government targets

OUTPUT: Effect of budget, if new pay deal concluded, to increase output by a little over 4 per cent. by this time next year and approaching 5 per cent. by end 1978. Forecast growth of output now about 2 1/2 per cent. between now and first half 1978, with manufacturing output up by about 2 1/2 per cent. Manufacturing investment up by 15-20 per cent. between now and first half of 1978.

BP STOCK: Sale of amount of BP stock to go ahead. Government and Bank holding will be reduced to 51 per cent. in 1977-78.

SAVINGS: Exemption limit for savings bank interest to be raised from £40 to £50 from 1977-78.

EXCHANGE CONTROLS: Stronger powers to be sought to control sterling borrowing by foreign-owned U.K. companies.

CAPITAL GAINS TAX: Rules on taxation of investors' capital gains from company takeovers to be eased, expanding present concessions on takeovers of more than 50 per cent. of a company to include takeovers of 25 to 50 per cent. of a company. Improved relief on gains arising from transfer of business from British companies' overseas branches to separate overseas companies.

AVOIDANCE: Further action planned to stop manufacture of artificial capital losses by shifting value from one asset to another. Provisions to be introduced to annul artificial annuity schemes.

Chief price changes yesterday

Commodity	Change
Glaxo	490 + 10
Hawker Siddeley	522 + 12
ICI	357 + 5
MK Fleet	243 + 9
Morris (Herbert)	351 + 21
Peasey Prop.	685 + 23
Phillips Lamps	210 + 12
Pork Farms	158 + 4
Sunley (B.)	398 + 6
Tube Inva.	178 + 9
Turner and Newall	178 + 9
Wagon Finance	70 + 5
Wills Faber	250 + 13
Sell Transport	480 + 6
Ultramar	143 + 6
FALLS	
Peterson Zochonis "A"	215 - 10
Gopang Cons.	230 - 5
Hartbeest	925 - 30
Malayan Tin	232 - 5
Messina	178 - 6
Winkelbank	330 - 20

Setback for wage restraint say unions

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

UNION LEADERS almost without exception criticised the Chancellor's decision yesterday to offer back-dated tax relief again in return for a "satisfactory" agreement on further wage restraint.

Despite the size of the income tax concessions, the general reaction was that prospects for another round of wage restraint after July 31 had been set back by the Budget—not least because of the Chancellor's decision partly to repeat last year's experiment and attach conditions to the negotiations.

Leaders of unions with low-paid members said the income tax concessions, both promised and conditional, did not amount to much after a year's inflation, and some opponents of wage restraint forecast the end of the TUC-Government pact.

Lord Allen, of the Shopworkers, who is chairman of the TUC Economic Committee, and a leading moderate voice, said that "the prospect for Phase Three has not been encouraged by this over-cautious Budget. This is a pity, because Britain needs a managed economy."

Union disappointment was echoed by Mr. Jack Jones of the Transport Workers, a central figure in TUC-Government relations, who described the Budget as "below expectations."

Mr. Hugh Scanlon of the Builders, whose lay-member committee could well vote against pay policy in May, said the Chancellor had done the reverse of what the TUC had expected.

"The trade union movement does not want to be in the position where we trade a pay deal for taxation. We believe it is the Government's responsibility to govern."

The view that Mr. Healey had made a tactical mistake and complicated what already promised to be tough negotiations was endorsed by Mr. Len Murray, the TUC general secretary.

Last year said Mr. Murray, the deal was largely about the wage element in inflation, but this year it was about the price element, inflation, and getting a stable exchange rate.

The Budget, he added, was on balance helpful overall and provided a basis for discussion on the TUC policy commitment for a planned return to free collective bargaining this year. Of later negotiations with the Government he said: "We are not expecting a second honeymoon, or a divorce."

For Mr. Clive Jenkins, consistent opponent of incomes policy, who on Monday announced he had already negotiated advance pay rises of up to 30 per cent. for some of his members, the Budget spelled the end of wage restraint.

Public-sector unions, both white-collar and manual, accused the Chancellor of missing an opportunity to reverse some of the expenditure cuts which, they said, it was now admitted had been based on "faulty" forecasts of the public-sector borrowing requirement.

Mr. Healey's total income tax package exceeds the TUC's demand for £1.5bn. reduction and even the unconditional element goes a long way towards that.

But on employment and public spending the Budget was not seen as encouraging.

Stechford poll hopes hit

BY RICHARD EVANS, LOBBY EDITOR

MPS FROM ALL sections of the Labour Party were dejected by the effects the Budget could have on the party's immediate electoral prospects at Stechford tomorrow although there was broad approval from the moderates for the Chancellor's strategy.

Mrs. Margaret Thatcher, the Conservative leader, summed it up as "not a revival Budget for the country but a survival Budget for the Labour Government."

Some Tories admitted, however, that Mr. Healey had shown political skill in winking the income tax bands.

The most unqualified praise for the Chancellor came from Mr. John Pardoe, the Liberal Economic spokesman, who claimed they would have been inconceivable from a Labour Government.

Many Labour MPs could not comprehend why the Chancellor had drafted such a statement with the crucial Stechford by-election only two days away. They thought extra taxes on petrol and the road fund licence, in addition to the higher cost of cigarettes, made it more likely that the seat would fall year's firm target.

The Left wing was particularly critical of the Chancellor's over-cautious attitude and his failure to replace progressive direct taxes with regressive indirect ones.

Mr. Brian Sedgmore, of the Tribune Group, said he rejected totally the Chancellor's move to replace progressive direct taxes with regressive indirect ones.

Yet despite the lack of enthusiasm among Labour MPs, Ministers have little to fear from any vote next week on the Budget resolutions since Liberal MPs are expected to support the Government.

Mrs. Thatcher's initial reaction was that Mr. Healey seemed to be apologising for the damage done in his previous nine Budgets. Because tax cuts had still not recouped the effects of inflation, it was still a take-away rather than a give-away Budget, she said.

Conservative MPs criticised the Chancellor's failure to lay down any conditions that would have to be met by the unions in phase three of the pay policy before the additional tax cuts were paid. But the Government views this tactic as essential following what they regard as the error of last year's firm target.

U.K. blocks EEC farm price deal

BY ROBIN REEVES BRUSSELS, March 29.

MR. JOHN SILKIN, the Minister of Agriculture, this morning blocked agreement on the EEC's annual farm price package which may have significant repercussions for Britain's overall relations with the Community.

The talks broke down at the end of EEC Ministerial negotiations stretching over four days and culminating in an all-night session lasting 19 hours.

Britain was totally isolated in demanding a substantial EEC-financed butter subsidy to neutralise the effect on U.K. food prices of higher Common Market farm prices and a devaluation of the "green pound".

A strong feeling of hostility and resentment surfaced among EEC Agricultural Ministers against Mr. Gavin Strang, Parliamentary Secretary for Agriculture, who led the British delegation.

Under Mr. Silkin's chairmanship, Mr. Strang fought an acrimonious losing battle to persuade the rest of the Council to agree on a generous butter subsidy to win U.K. acceptance of the overall farm package which will make food dearer in British shops.

Resistance was total to what many interpreted as a direct British assault on one of the cornerstones of the Community—the Common Agricultural Policy.

"It was a dialogue of the deaf," was Mr. Silkin's comment after he had vacated the presidential chair at the end of the meeting.

He thought his fellow-Ministers had not grasped the argument that the net cost of the butter subsidy demanded was reasonable, when set against alternative methods of disposal. Furthermore, Britain was being asked to absorb the combined effect of two EEC transition steps, increased common farm prices, and a "green pound" devaluation—all within a relatively short period.

Final hopes for agreement faded after Mr. Silkin left the meeting to phone London, presumably to consult Mr. Denis Healey, the Chancellor of the Exchequer, on whether he should settle on the basis of the costly terms being offered.

But with the next stage of the government's pay policy intimately linked with containing food price inflation, it was clearly decided that no agreement was preferable in one that raised food prices to far higher levels.

"Britain is trying to run

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LOMBARD

Tapping the Wall Street barometer

BY ANTHONY HARRIS

A STOPPED clock is exactly right twice a day, and you can predict exactly when it is. A stock barometer is also liable to be right some time or another; but unless you have a barometer that works, you will never know exactly when you will be right.

Fundamentals

The trouble is that most forecasts emerge from Wall Street and are so chartist in their outlook, searching for patterns in the graphs rather than considering fundamentals. There are two fundamentals which are obviously relevant: the effect of high nominal interest rates in discouraging long-term investment, and the aftermath of financial shock.

Plausible

This pattern of corporate debt version (assisted by high corporate cash flows) and investor suspicion of long instruments seems to me to suggest very much the sort of pattern we have seen, with the pressure on long rates rather than on money rates, and consequently sluggish monetary growth and a disappointing Wall Street performance.

TY Radio

- Geoffrey Howe, MP, for the Opposition. 9.25 Sportsnight. 10.45 The Energy File. 11.15 To-night. 11.55 Weather/Regional News.

F.T. CROSSWORD PUZZLE No. 3343

Crossword puzzle grid with numbers 1-29 and letters A-Z.

- ACROSS 1 Predictable type of family letter (5)
- 10 Registration is coming on dramatically (5)
- 11 Ha's of a stable though irritable disposition (8)
- 12 Kept going they say to northern town (7)
- 13 Minor operation at school (7)
- 14 Nymph onset Diana (5)
- 16 Softened up office staff scolded (9)
- 17 Lodge member with extravagant builder (8)
- 20 CID returns without alternative order from Greece (5)
- 22 Forgetting a name is another thing (7)
- 25 Joy obeyed a kinsman (7)
- 27 Flight that could have finished at 5 in Scotland (9)
- 28 Gloomy daughter taken back (5)
- 29 Introduce speech where one lives (7, 7)

RACING

If fit, Rhodes has appeal

BY ANTHONY HARRIS

ASSUMING THAT he is fit, Rhodes appeals as the probable winner of the Storrcliffe Stakes for three-year-olds run over 11 miles at Folkestone this afternoon.

SALEROOM

BY ANTONY THORNCROFT

Christie's spring sale tops £1.6m

YESTERDAY WAS another momentous day in the major London salerooms, Christie's holding its big spring sale of Impressionist and Modern paintings, and Sotheby's disposing of very good Chinese works of art.



Detail from the £150,000 Picasso.

The pictures were a rather hit and miss affair as is usual with Impressionist and Moderns. Some of the top lots were bought in, including a Picasso Mandoline et porteur de musique, where the bidding stopped at £230,000, a pretty Renoir bought in at £90,000 and a Max Ernst at £88,000.

GARDENS TO-DAY

Down in the jungle of the suburban garden

BY ROBIN L...

THIS IS THE SEASON for a motor mower to often go stored in a garage; ah, say the PDSA, myself, while paying a reluctant visit to London. I have to admit that London's Magnoliae and other plants are not so common in the country.

British pets

Now I had better declare my uncertainty as to which I like less, the beaver or the British pet. The size of British dogs seems to rise in proportion to the space which its owners devote to its exercise.

Wandering deer

I must add that crows do have their uses. Some months ago, I passed on a tip about a rabbit being shot in a garden in the suburbs in order to keep off wandering deer.

Live an

What, though? I say the PDSA. How spontaneous one feels, as owner hurk stick far wheezing retriever and retriever pads of motor.

Letters to the Editor

- Free collective bargaining. From the managing director, Ores International. Sir, I propose that any Government-TCU negotiated increase for shop floor employees shall be related to the national increase in productivity, and be accepted by the Price Commission as a valid reason for price increases by the enterprises concerned in both the public and private sector.

- Purchasing power. From Mr. W. Tomkins. Sir, The many pensioners of Ford Motor Company will be greatly interested in your report of March 25, that their former employer has attempted to embrace current cost accounting concepts when reporting financial results for 1976.

Advertisements for Dental care, Milk and charges, Collecting waste, and other services.

NOTICE OF REDEMPTION

To the Holders of Aktiebolaget Svensk Exportkredit (Swedish Export Credit Corporation)

9% Notes Due 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of April 15, 1973 providing for the above Notes, \$3,362,000 principal amount of said Notes bearing the numbers set forth below have been selected for redemption on April 15, 1977, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

NOTES OF \$1,000 EACH

Table listing individual note numbers for redemption, including columns for note number, principal amount, and interest.

On April 15, 1977, the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder, either at the principal amount of the Notes plus accrued interest to the date of redemption or at the option of the issuer, at the principal amount of the Notes plus accrued interest to the date of redemption.

Following the aforesaid redemption, \$18,000,000 principal amount of the Notes will remain outstanding.

AKTIEBOLAGET SVENSK EXPORTKREDIT (Swedish Export Credit Corporation)

NOTICE

The following Notes, previously called for redemption have not as yet been presented for payment.

Table listing note numbers that have not been presented for payment, including columns for note number, principal amount, and interest.

This announcement appears as a matter of record only

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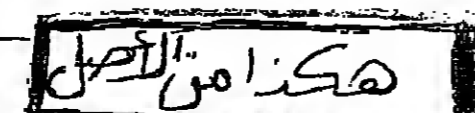
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EUROPEAN NEWS

Polish court backs food rioters' jail term

By CHRISTOPHER SOBINSKI. THREE YEAR prison sentences on two tractor factory workers have been upheld by the Warsaw High Court. Both men had been found guilty of damaging the main factory line outside the factory during last summer's demonstration against food price increases. At their trial both said that they had been beaten while in detention.

Wave of protest subsidies

By LESLIE COLTIN IN BERLIN. THE CHORUS of protest in East Germany that followed the expulsion to West Germany in November of Herr Wolf Biermann, the political poet and folk singer, has subsided. Leading writers, actors and film directors who for the first time—and in unison—openly criticised the Communist leadership and were joined by other less prominent cultural creators and artists are being punished by the state organs.

Dissect in East Germany

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Vertical text on the right edge of the page, including 'Will' and 'Hungary takes center'.

COMPANY NOTICES

UNION CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING. Notice is hereby given that the annual general meeting of members of Union Corporation Limited will be held on the 20th day of April 1977.

NOTICE OF GENERAL MEETING

A general meeting of members of Union Corporation Limited will be held on the 20th day of April 1977 at 10.00 a.m. at the offices of the Corporation.

RAND SELECTION CORPORATION LIMITED

NOTICE TO HOLDERS OF SHARE WARRANTS TO BE. Proposed Rights Offer of 10,562,538 Shares of 50 cents each.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA

NOTICE TO HOLDERS OF SHARE WARRANTS TO BE. Proposed Rights Offer of 10,562,538 Shares of 50 cents each.

LEGAL NOTICES

LEGAL NOTICES. In the High Court of Justice, Chancery Division, in the Matter of the Companies Act, 1947.

JP K... 150

EUROPEAN NEWS

Barre will retain Finance portfolio

DAVID CURRY

FRANCE Prime Minister, Jacques Chirac, has confirmed that he will remain as his own Minister in the 18th Government...

PARIS, March 29. The new Government should be "freed from party politics" and there should be a clear division between the Government and the parties...

French cool U.K. energy concessions to EEC on new members in bid to secure JET project

By Our Own Correspondent

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 29.

PARIS, March 29. THE FRENCH Government, which until recently saw itself as the sponsor of Greek, Portuguese and Spanish aspirations, to EEC membership, has cooled noticeably towards the idea of an early enlargement of the Common Market.

THE BRITISH Government made two significant concessions over EEC energy policy to-day in an apparent bid to improve its chances of getting the JET...

Garching in West Germany, with Culham the apparent favourite.

energy by means of advanced fusion technology.

It seemed likely that all-night negotiations would be needed to produce a package deal containing...

The Energy Ministers agreed to-day to authorise the EEC Commission to perform detailed studies on alternative methods of protecting energy investments and to draw up one or more draft proposals for putting them into operation in time for the Council's next meeting in June.

Mr. Aolbony Wedgwood Benn, the U.K. Energy Minister, lost his campaign to open to the Press yesterday's debate on possible energy-saving measures, writes Guy de Jonquieres.

The agreement was made possible by Britain's willingness to abandon its previous insistence on agreement by its EEC partners that an MSP was the only practicable system for safeguarding energy production.

Britain placed a reservation on the proposed plan, to finance the construction of nuclear power stations, over a year ago after France raised strong objections to an MSP system, which the U.K. wants as a protection for investment in the North Sea and other energy sources.

The MSP system was endorsed by the last EEC Commission a year ago, but the new Energy Commissioner, Dr. Guido Brunner, who played a part in bringing about to-day's compromise, said that the forthcoming study would examine a range of options, including subsidies and guarantees.

Officially, Britain's decisions to-day were ascribed to Government satisfaction at the achievements of the Energy Council, notably an agreement on financing coal stocks.

According to the Commission, applications have already been received from concerns in Britain, France, Italy and West Germany for loans totalling more than 100m. units of account under the Euratom scheme. The British applications, for 15m. units of account each, were made by the Central Electricity Generating Board and the South of Scotland Electricity Board.

But there is also a general realisation that there is little time left for a final decision on the research project, which promises to unlock virtually limitless sources of low-cost energy.

Meanwhile, Ministers agreed in principle on a proposal to introduce a system of monitoring and automatic licensing of coal imports into the Community.

Cost of living index rises 0.7%

OUR OWN CORRESPONDENT

PARIS, March 29.

TWO months of modest well he substantially above 1 per cent. The Government is hoping that, thereafter, the monthly increase will be more modest. The main culprits for the rise in February, the 0.7 per cent, were rises in petrol, following the 0.3 increase in both January and February, and in the price of meat, following the 0.3 per cent rise in the price of beef, which was the only item to rise in the index.

Government must depend on the long haul of voluntary wage and price restraint, coupled with high interest rates, to bring inflation under control. The problem is that the restraint in tariffs and prices in the public sector will inevitably have to be paid for out of the budget deficit.

It is not thought that the new Government will exclude everyone with a formal political affiliation but merely those with a leading party political role. M. Christian Bonnet, the outgoing Agriculture Minister, is being tipped for the Justice Ministry while there are rumours that M. Alain Peyrefitte, who occupied various ministerial functions under Presidents de Gaulle and Pompidou and has recently come back before the public as the author of the best-selling analysis of French government and society "Le Mal Français" (the French sickness), could be recalled by M. Barre.

Week air strike goes on

PILOTS of Olympic Airreece's State-owned airline decided to go on strike for a further 48 hours on Monday. Over half Olympic's original fleet of 10 aircraft were grounded.

party's application, UPI reports from Madrid. The month-old application was first delayed when the president of the court section suddenly died. His stand-in subsequently fell ill.

Azevedo returns. Former Portuguese Prime Minister, Admiral Jose Pinheiro de Azevedo, who suffered a heart attack last June, told a news conference yesterday that he was retiring from the navy to head a newly-formed party called the Portuguese Social Democracy Movement. Reuter reports from Lisbon.

Turkish deficit bigger. The Turkish foreign trade deficit in the first two months of this year was \$680m, 17 per cent higher than in the comparable period of the previous year. Preliminary figures showed yesterday, our Ankara correspondent writes. While imports in this period grew by 25 per cent, to \$4.94 billion, exports declined by 30 per cent, to \$3.36 billion.

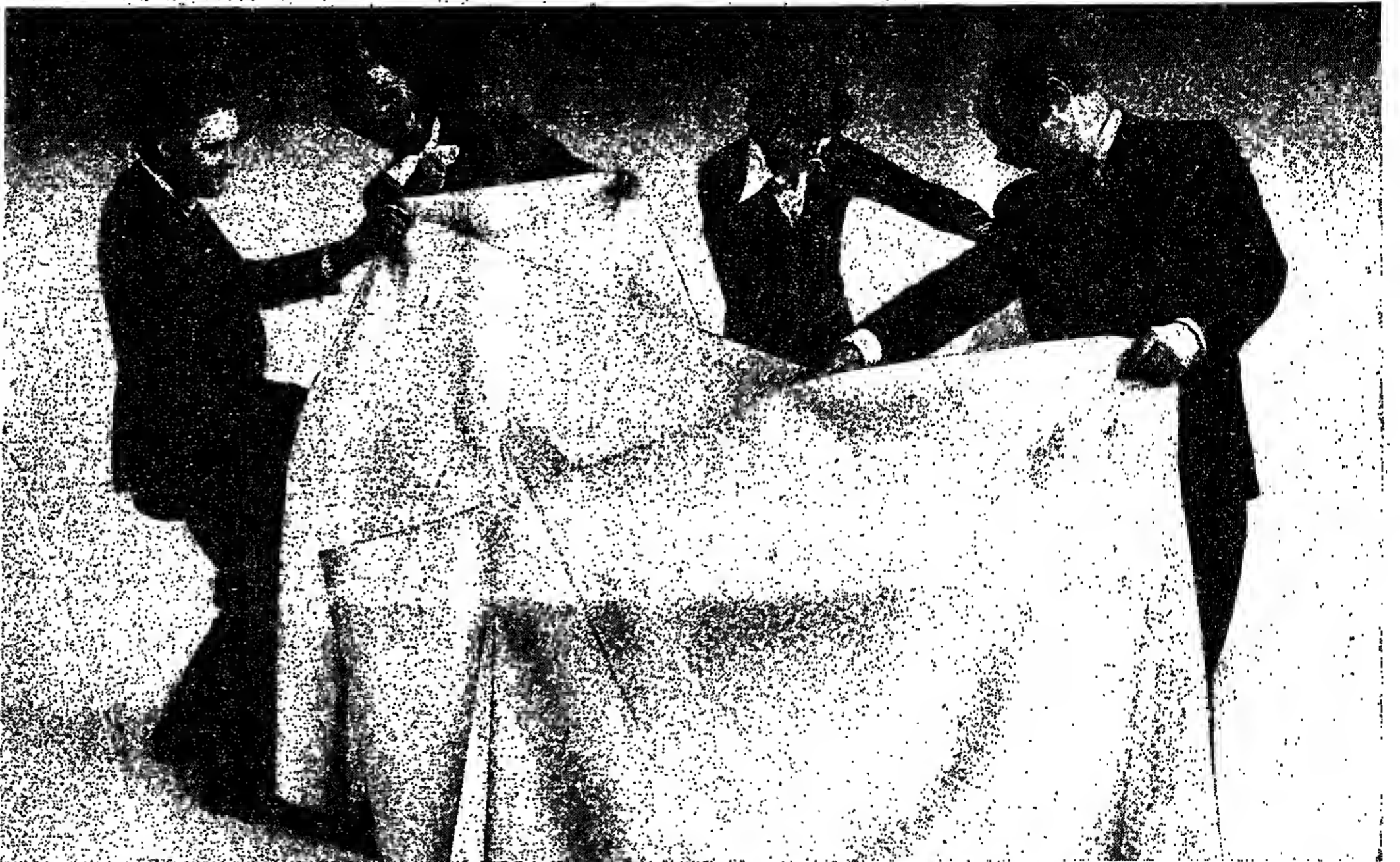
Norway-Soviet fish. A Norwegian delegation will leave the Soviet Union without reaching a fishing rights agreement between the two countries, a Norwegian told UPI yesterday. The negotiations centred around Soviet and Norwegian claims in the Barents Sea, considered one of the richest fishing areas in the world.

Danish trade deficit. The Danish February trade deficit fell to Kr.1.19bn. from a January shortfall of Kr.1.6bn., preliminary figures from the statistical bureau showed. Reuter reports from Copenhagen.

ALISM IN HUNGARY. All it takes is a little enterprise

BY GEORGE SCHAPFLIN

THE IT of capitalism is well in Communist Hungary. That surprising emerges from a document circulated privately in Hungary, studying income there. A certain "Janos" equivalent to "John" called "A Hidden of Freedom," it virtually every sector of private enterprise. It claims that the individual with individual profit product is actually run by the state. The entrepreneur in Hungary is not so much state interventionist, but simply that duality is more advantageous, as it provides a more secure foundation for private enterprise and is more difficult for the state to control and tax. A major exception is the skilled working class employed in large enterprises, where control over both materials and workers' time tends to be much stricter. Perhaps this is why the greatest social tensions have arisen in precisely this sector of society. But for the majority duality is a central aspect of Janos' compromise, and one which has contributed greatly to the political stability of Hungary in the last decade and a half.



Revealing Canon Copiers, the next step forward in copying.

Famous world-wide for sophisticated lenses, cameras and optical equipment, Canon have applied their enormous build-up of experience, vast research and development skills, to the problems of copying systems. These problems were identified as poor quality of copies, all too frequent periods when machines are out of service and poor response to calls for service. Proved around the world. Over 15 years of intensive research by Canon went into developing what is truly the New Process for copying (hence individual machines designated by NP).

Advertisement for Canon copiers. Includes images of three models: NP-70, NP-5000, and NP-A2. Text describes features like consistent copy quality, simple to run, and the Canon Total Guarantee Agreement. Contact information for Canon Business Machines (UK) Ltd. is provided.

U.S. may close Rhodesian office

By Our Own Correspondent
WASHINGTON, March 29.
THE CARTER administration may be preparing to close the Rhodesia Information Office in Washington as part of its efforts to tighten sanctions against the break-away regime.

Until now, despite the U.S. support for sanctions, the information office has been allowed to operate under the terms of the Foreign Agents Registration Act. This lays down the framework within which foreign organisations can establish lobbying offices in the country.

Justice Department officials yesterday visited the two men Rhodesia Information Office and began a detailed examination of its records. The Justice Department denied that it was acting in conjunction with the State Department and refused to comment on the reasons for the investigation of the office.

However, it is widely believed that the investigation is connected with the State Department's support for a United Nations resolution which is expected to be approved shortly. This calls on member nations to ban the transfer of Rhodesian funds within their borders, a move which would force the closure not only of the Washington office but also those in Australia and France.

Carter allows \$2bn. arms sales—\$4bn. more delayed

BY DAVID BELL

WASHINGTON, March 29.

PRESIDENT CARTER was reported to-day to have approved about \$2bn. of U.S. arms sales, mostly to Nato allies and to Israel.

The President has been personally assessing \$6bn. of proposed arms sales in his campaign to reduce the level of American arms shipments overseas. During and since the election campaign, he has said repeatedly that the United States should not be "arms merchant" to the world.

A full list of the countries which are to receive arms has not yet been published but most of the projects that the President has approved involve relatively non-controversial items.

Included in the approvals, according to State Department sources, are howitzers and tanks for Israel, about \$500m. in contract construction for Saudi Arabia, jet fighters for Greece and a variety of other equipment for Nato countries as well as Jordan, Pakistan and South Korea.

The new aid to South Korea has been approved despite treatment of dissidents in that country. Mr. Vance, the Secretary of State, made an exception to the general rule about human rights earlier this month, saying that it could raise serious problems if relations between the U.S. and Iran should become strained.

The remaining \$4bn. of outstanding arms sales may be approved but are likely to be held up pending a review of arms sales policy due to be presented to the President on April 11.

One of the prime concerns of the interagency task force drawing up the guidelines is the number of U.S. technicians serving in the Middle East. A Senate report on U.S. arms sales last year was sharply critical of the involvement of many thousands of American civilians in the country, saying that it could raise serious problems if relations between the U.S. and Iran should become strained.

USSR ponders Vance proposals

BY DAVID SATTER

MOSCOW, March 29.

MR. CYRUS VANCE, the U.S. Secretary of State, met this morning for two hours with Mr. Andrei Gromyko, the Soviet Foreign Minister, in the Kremlin.

They did not discuss the two strategic arms limitation proposals presented by Mr. Vance yesterday, supposedly because the Russians are studying them. Mr. Hodding Carter, the U.S. State Department spokesman, said he did not know what the agenda was for to-day's session, but the American delegation was made up of arms control negotiator Mr. Paul Warnke,

National Security Council member Mr. William Hyland, the U.S. Ambassador to Moscow, Mr. Edward Rowney, the representative of the U.S. Joint Chiefs of Staff at the SALT negotiations.

Yesterday Mr. Vance put forward two proposals intended to set the stalled SALT II negotiations moving again. The first called for both sides to sharply reduce their numbers of strategic missiles and bombers. Mr. Vance said he suggested an approximate number for the cuts. He is believed to have suggested a

ceiling of 1,500 or 2,100 offensive bombers and missiles, substantially below the 2,400 maximum set in the 1974 Vladivostok accord.

Mr. Vance has also put forward a proposal for a simple ratification of the Vladivostok agreement, but excluding the American Cruise missile and the Soviet Backfire bomber. Disagreement over how and whether to include the Cruise and the Backfire in a second arms limitation agreement has been the principal cause of the impasse in the negotiations.

Court to review plutonium plant ban

By Our Own Correspondent

WASHINGTON, March 29.

THE U.S. Supreme Court has agreed to consider whether further safety studies are needed before the Government goes ahead with the licensing of plutonium re-processing facilities.

The court said yesterday that it will review a lower court decision which banned the watchdog Nuclear Regulatory Commission from even issuing temporary licenses for re-processing plants until a full scale study had been completed.

The public utility companies that brought the case before the court argued that further delay would hamper the much needed development of new energy sources and urged that the lower court decision be overturned.

President Carter is expected to include a proposal to delay indefinitely the licensing of plutonium plants to his energy package to be unveiled next month. He has said in the past that he agrees with environmental groups—the same groups that won the lower court decision on which the Supreme Court will now rule—that plutonium poses a radiation danger because of the difficulties of processing and transporting it.

Senate committee votes to defer car exhaust restrictions

BY JAY PALMER

NEW YORK, March 29.

FACED WITH a legal impasse which could have left all cars every car made which does not meet the U.S. after this meet the rules, the car makers backed down and agreed to a 12-month delay in the planned tightening of exhaust emission standards.

Late yesterday the Senate Environmental and Public Works Committee agreed that emission year delay in the new rules. The proposals submitted by the committee would have left existing legislation unchanged for 1978 models.

The very largest U.S. car makers have already said their 1978 vehicles would not meet the new rules. Rather than pay the

threatened fines of \$10,000 for each car, the car makers agreed to a 12-month delay in the planned tightening of exhaust emission standards.

The Senate decision represents a victory for the car makers. However, it is less decisive than it appears. The Senate Environmental and Public Works Committee agreed that emission year delay in the new rules. The proposals submitted by the committee would have left existing legislation unchanged for 1978 models.

Environment plan likely to provoke controversy

BY JAY PALMER

NEW YORK, March 29.

PRESIDENT CARTER, true to his campaign promises, will soon present to Congress an environmental message with a long list of proposals that could come into effect over the next 12 months.

Many of the President's key ideas have already been leaked and seem likely to cause a good deal of controversy within both Congress and affected industries.

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of controversy within both Congress and affected industries. The President is expected to send to Congress an environmental message with a long list of proposals that could come into effect over the next 12 months.

The long list of proposals, many of which the President has not yet approved in final form, come in various drafts of the environmental message which aides are preparing. The President is expected to deliver the message sometime next week although the White House still refuses to confirm the timing.

In the important area of offshore oil and gas, the President is expected to propose a greatly increased degree of Government attention to expected environmental impact. Plans will be screened much more closely and certain sensitive areas would be placed off limits, at least, until other areas had been exhausted.

CALIFORNIA'S COURTS

A liberal lady head the ben

BY WILLIAM SCOBIE

IN MATTERS legal, as in much else, California has a reputation as a progressive State. Now it has taken another pioneering step with the appointment of Miss Elizabeth Rosc BIRD, 40, not only as the first woman on the California Supreme Court, but also its Chief Justice.

But it was not without a long and often raucous struggle that Ms. Bird—as she prefers to be called—not the job. Governor Edmund Brown Jr. has selected several controversial nominees for high office during his two years and two months in office—Berkeley-trained lawyer who is also a close political confidante of the chief executive.

Mr. Brown and Ms. Bird see eye to eye on most matters. As Secretary of Agriculture in his Cabinet for the past two years she is credited with devising the farm labour law which has brought inter-union peace in the California fields, and which is seen as the Brown administration's major accomplishment to date. Like the Governor, she is an ardent advocate of civil liberties, has a brilliant intellect, and is a tireless worker. She has never married.

The opposition to Ms. Bird is not, ostensibly at least, related to her being a woman. There are many highly regarded women judges in California, and around the U.S., and one (in North Carolina) heads a State Supreme Court. Ms. Bird's problem is she has never been a judge, and that she is a liberal, allegedly averse to the death penalty—in a State that these days is deeply alarmed by the rising crime rate.

The chorus of antagonism to her was led by a group of would-be Republican candidates for the Governor's office in 1978, among them Los Angeles' flamboyant Chief of Police, Mr. Ed Davis, who said that Mr. Brown had shown his contempt for the judiciary (and thus for law and order) in nominating Ms. Bird rather than an experienced judge. Another candidate is the state's Attorney-General, Mr. Evelle Younger, who, as it happened, held the casting vote on the three-man commission on judicial appointments, which had to ratify the Governor's choice.

More than 40 witnesses were heard by the commission—many of them with vehement criticisms of Ms. Bird—before Mr. Younger finally cast an assenting vote. "I do so reluctantly," he explained, "because there are many judges better qualified."

But he did not feel that he had the moral right to oppose the Governor's choice when the law did not require that he appoint the best-qualified person to the post. Other said, unkindly, that Mr. Younger was also worried about the effect "no" would have had on his gubernatorial chances. He might modify his own party's Right wing; he would not please the vast majority of women voters.

Her legal career experienced as an assistant public defender, professor of law at the University of California, Nevada Supreme Court, and woman public defender in Clara county, a woman cabinet official's history.

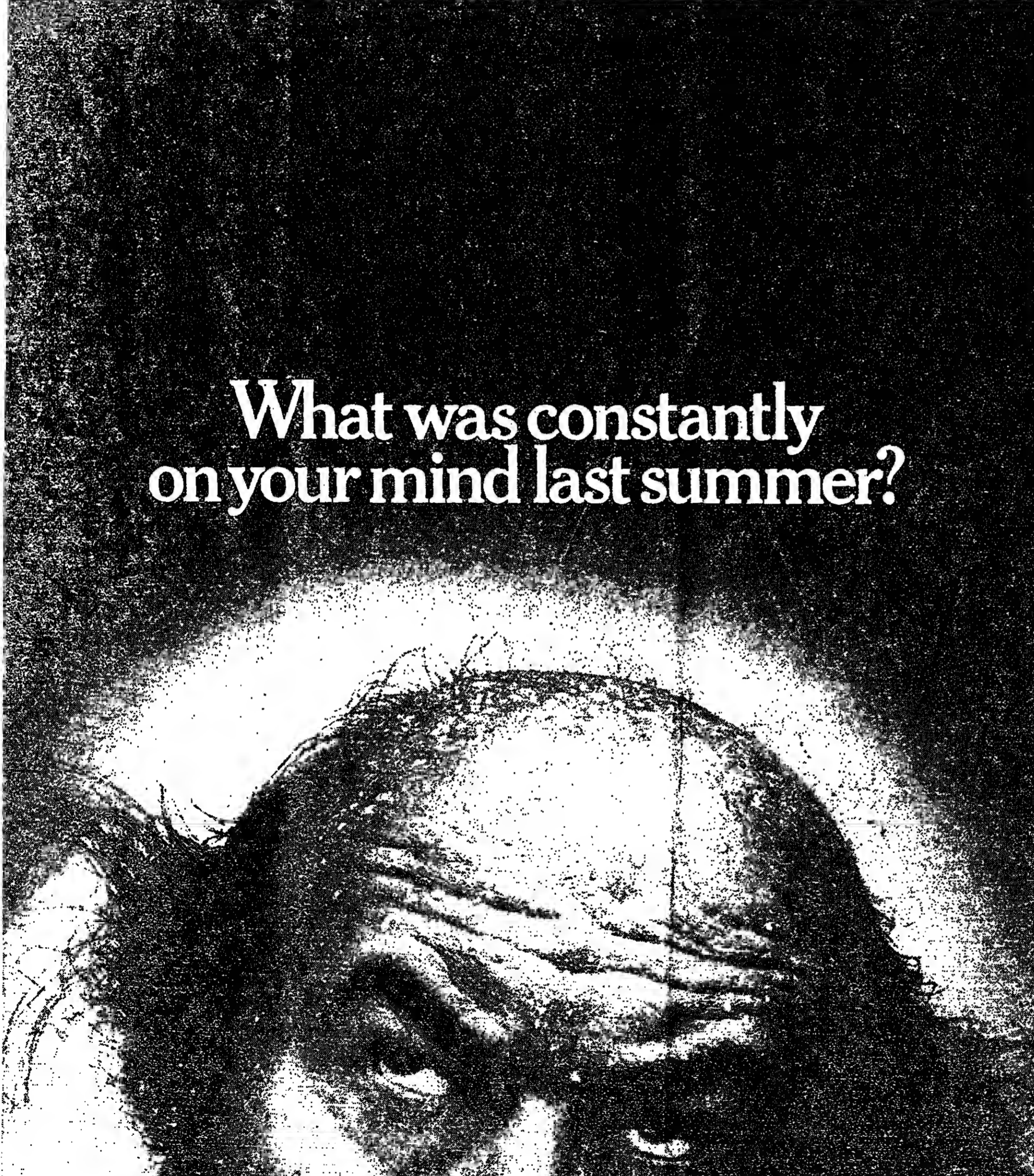
"I believe," she says, "after winning the job, that one of the things I have spent a great deal of time on is to make the system more efficient certainly do what the limits of the law prevent the reinstatement of the death penalty in California. I believe that the Commission has called for better of the most significant of the Brown administration's first black Chief Justice, Wiley Manuel, regarded middle-aged judges, not even objected, not even of the state's law establishment. Mr. Younger, who was vote for Ms. Bird.

Ms. Bird is expected to make the over-ruled more efficient certainly do what the limits of the law prevent the reinstatement of the death penalty in California. I believe that the Commission has called for better of the most significant of the Brown administration's first black Chief Justice, Wiley Manuel, regarded middle-aged judges, not even objected, not even of the state's law establishment. Mr. Younger, who was vote for Ms. Bird.

NOTICE OF RE

To the Hon. Du Pont O Finance

7 1/2% Guaranteed Due December
NOTICE IS HEREBY GIVEN that the principal shareholder of the Du Pont O Finance Company, Inc. has called for better of the most significant of the Brown administration's first black Chief Justice, Wiley Manuel, regarded middle-aged judges, not even objected, not even of the state's law establishment. Mr. Younger, who was vote for Ms. Bird.



What was constantly on your mind last summer?

Are you really prepared to sweat out this coming summer the way you did the last one?

If not, you might think of installing an air conditioning system.

What an air conditioning system does is to draw the hot air out of a room, cool it, de-humidify and filter it, and

feed it back in, fresh and clean.

The result? Suddenly you find you have more efficient staff, contented customers, improved efficiency, and better profits.

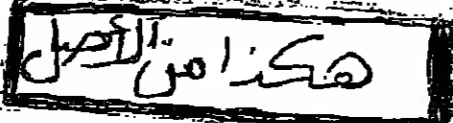
If you'd like to know the full details about the wide range of air conditioning systems, contact your Electricity Board.

They'll send you the latest air conditioning leaflet which explains the how, why and where, with examples.

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Or you can write to him at the Air Conditioning Advisory Bureau, 30 Millbank, London SW1P 4RD.

FRESHELECTRIC
The Electricity Council, England and Wales.



OVERSEAS NEWS

Committee refer car restrictions

plan likely

A liberal head the

Angola 'main support' of Katangese

DAVID BUCHAN

STICATED guerrilla train- provided by the Angolan Government is the main support of the Katangese...

banon ike tended

defying Syria and President Elias Sarkis, Christians yesterday...

reshuffle

Prime Minister U Sein and two other Ministers yesterday in a major reshuffle...

research grant

Development Bank yesterday approved a technical grant of \$500,000 to the Rice Research Institute...

rests

military government has been arrested and questioned more than 100 officers...

BRUSSELS, March 29.

to rely on about 20,000 for counter-insurgency operations. There may be as few as 3,000 of these in Shaba...

Suharto appoints team on tanker row

JAKARTA, March 29.

PRESIDENT SUHARTO of Indonesia has appointed a three-man team, including Attorney-General Ali Said...

He said the arrest is not formal, and no charges have been brought yet. He also denied reports that 20 to 30 other former Pertamina officials have been detained...

Secretary of State Sudharmono asserted that the petition against Gen. Sutowo is related to his remarks in February when he told the Wall Street Journal he had advised the Indonesian Government to honour billion-dollar hire-purchase and charter contracts with the Geneva shipping broker Mr. Ernie Rappaport...

So far, the Indonesian defence has been that Gen. Sutowo exceeded his powers in his dealings with Mr. Rappaport. Gen. Sutowo filed an affidavit in New York last year admitting that he did wrong but claiming Mr. Rappaport was extremely 'devious' in his dealings with the company...

ON OTHER PAGES

International Company News: BASF export demand Pressing to maintain dividend 30/31 Farming and Raw Materials: EEC farm talks breakdown. Spices outlook 33 Agencies

In the second of his series Lasse Jensen looks at Vietnam's foreign policy Armed in a sea of troubles

WHEN Mr. Leonard Woodcock's American delegation stepped out of its airforce C-141 Starliner at Hanoi's Gia Lam airport two weeks ago they saw a familiar sight — a Lockheed C-130 Hercules Transport. What made it unusual were the Vietnamese colours — a red flag and a yellow star — on its tail. It was one of the dozens of operational American-built aircraft which fell into the hands of the Hanoi forces when they swooped down from the Central Highlands two years ago.

Hanoi is now the most formidable armed power in South-East Asia, with the fourth biggest army in the world, Asia's biggest airforce, and among the world's toughest and most experienced soldiers. Not long ago the architect of the 1975 victory, Defence Minister Mr. Vo Nguyen Giap, announced compulsory military service for all Vietnamese and said that there were no immediate plans to demobilise the 800,000-strong army.

The announcement sent waves of anxiety through several South-East Asian capitals. The fear that Hanoi may use its forces — and the enormous amount of American military hardware captured — to expand its sphere of influence in the region, is never far from the surface in Bangkok, Kuala Lumpur, Jakarta and Manila. In Hanoi, the Vietnamese are well aware of their military strength and of the uneasiness which it causes abroad.

The Deputy Foreign Minister, Mr. Nguyen Co Thach, pushes the fears of the neighbours aside, saying: "Our policy is peace, and I stress this because our neighbours fear our strong army. I am 56 years old and have spent 30 years in war and 28 years under French colonial rule. This has taught me how precious peace is. If we ask people to fight again, they'll revolt, unless of course Vietnam is invaded again. And that is precisely the reason we do not demobilise, because peace is essential to the fulfilment of our economic plans."

Again and again the Vietnamese leaders stress this point. They want desperately to convince their neighbours that reconstruction in Vietnam supercedes all foreign policy activities except those connected with economic aid. Laos has long been to one foreign ministry official the problems of reconstruction are so vast that Hanoi has made it very clear to other Asian revolutionaries that Hanoi will not serve as the ideological or military Mecca of the area, and that they will have to fight their own wars.

Many Vietnamese point out that Vietnam has gained enormous prestige by defeating the world's foremost "imperialist" power and that it will not risk that prestige by intervening elsewhere. But international prestige and military strength give rise to a certain amount of self-confidence and arrogance. The Vietnamese are waiting for...

International prestige and military strength give rise to self confidence and arrogance... the Vietnamese are waiting for the other South-East Asian nations to behave, that is, to sever all military ties with the U.S. and approach Hanoi for bilateral relations...

Pierce Vietnamese nationalism has kept China at a distance. The relationship between China and Vietnam has long been cool, Vietnam fearing the Chinese whom they have taught several times 'a good lesson'. But Hanoi reacted positively to the recent changes in the Chinese leadership and the onsting of the "gang of four". Asked whether the dispute over the Paracel Islands in the South China Sea could worsen relations, the Deputy Foreign Minister, Mr. Nguyen Co Thach, replied: "We say the islands belong to us, the Chinese say that they belong to them. We will solve it in a friendly manner."

Finally, the Vietnamese are trying to keep the Russians at a distance. Disappointed with the size and efficiency of Soviet aid, the Vietnamese have published their new foreign economic policy, designed to balance East against West. There is no doubt that the Vietnamese will reject any proposals for military alliances or arrangements. Premier Phan Van Dong, when asked whether Vietnam would allow the Soviet Union to use the naval facilities at Can Ranh Bay, immediately countered: "Do you have any information about them having asked?" He left no doubt as to the answer should the Russians ask.

Oppenheimer defends pay policy of ICI offshoot

BY QUENTIN PEEL

THE SOUTH African chemical and industrial combine, AECI, which is 40 per cent owned by ICI, is moving steadily towards employment conditions based on the rate for the job. Mr. Harry Oppenheimer, the company chairman, said in his annual statement yesterday...

Podgorny meets Machel

PRESIDENTS Samora Machel of Mozambique and Nikolai Podgorny of the Soviet Union today began talks on bilateral and international issues...

of Soviet weapons to shorten the war and topple the regime. The talks here began with an official Soviet assurance that Moscow was not seeking a naval base in Mozambique.

According to diplomatic sources, the USSR have twice in under two years asked Mozambique for a naval facility in return for Soviet help when the PRELIMO nationalists, who are now in power, were battling against Portugal. The Government here has twice turned down the request, sources believe.

Mr. Machel and Mr. Podgorny were holding several rounds of talks during the latter's four-day stay before he flies back to Tanzania for a private visit. A Soviet spokesman said the talks here were mainly on bilateral issues — economic, scientific and political — and international issues.

neither practical nor appropriate, and still greater efforts are being made to train and develop all employees. Mr. Oppenheimer said. However, the company's annual report itself says the opportunity of developing new employment opportunities for blacks has been inhibited by the general downturn in the economy. It adds: "The supply of adequately trained journeymen for the future will be hopelessly inadequate unless present practices can be changed and a start made on the training of black apprentices."

Podgorny meets Machel

MAPUTO, March 29.

of Soviet weapons to shorten the war and topple the regime. The talks here began with an official Soviet assurance that Moscow was not seeking a naval base in Mozambique.

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will tell you how to reduce your tax liability, detail how you can make your money work harder and finally, help you to secure the future for you and your family. If you would like to discuss our service further, please contact us on 01-588 4111 Ext. 3240.

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WORLD TRADE NEWS

Japan's productivity offsets decline in competitiveness

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, March 29. JAPAN'S INTERNATIONAL competitiveness as measured by a combination of exchange rate adjustments and wholesale price increases has declined in relation to all other major industrial nations since the Smithsonian currency settlement of January 1972...

Sweden consumes, exports more waste paper

FINANCIAL TIMES REPORTER SWEDISH WASTE paper consumption and exports have reached record levels despite the continued slump in the country's total paper production. Exports increased by almost 20 per cent last year...

Fashion threat to E. German synthetic fibres industry

BY LESLIE COLTIT BERLIN, March 29. EAST EUROPEAN countries are now evidently concerned that heavy investment in recent years in man-made fibres could be jeopardised by shifts in fashion-trends...

U.K. companies in Malta

BY GODFREY GRIMA VALLETTA, March 29. THREE BRITISH companies, GEC, Hawker Siddeley and Tuba Investments are about to finalise arrangements for the setting up of export orientated factories in Malta...

Saudis confirm Philips's bid of \$6.7bn.

By Richard Johns PHILIPS'S price for carrying out Saudi Arabia's nationwide switching project was \$6.7bn. Sandi (SAR) estimated with one of SAR's competitors by the Ministry of Posts, Telegraphs and Telephones...

BP applies for 2p oil rise

By Ray Dattier, Energy Correspondent BRITISH PETROLEUM and its National Benzole subsidiary have applied for an average 2p per gallon price rise on all their oil products...

Loan for Turkey

Lazard Brothers has signed a \$5.5m. financing agreement with Citibank in support of a contract awarded to Badger Pan America through its U.K. office...

Senators back U.S. shoe curbs

WASHINGTON, March 29. IN THE U.S. 43 senators have joined in a letter to President Jimmy Carter urging imposition of import restrictions on shoes...

HOME NEWS

Post Office calls for once-a-day deliveries

BY KEVIN DONE, INDUSTRIAL STAFF LETTER DELIVERIES would be cut to once a day and the parcels service would be greatly reduced if the main proposals of the Post Office's five-year postal business plan are implemented. Details of such plans are usually kept secret...

Chrysler U.K. wins £2.5m. van order

BY TERRY DODSWORTH ANOTHER BOOST for Chrysler new sales will help revive the U.K.'s van business. Chrysler's flagging fortunes have been revived by a £2.5m. order from the commercial vehicles division of the Post Office...

Shelter attacks sales of council houses

FINANCIAL TIMES REPORTER COUNCIL HOUSE sales are a recipe for increased social segregation, according to an article in the Shelter magazine, Roof, claims today. The article, by Mr. Alan Murie, a Bristol University research fellow...

Press Council team named

LORD BRIGGS, Provost of Writlington College, Oxford, is to head the Press Council Appointments Committee. The commission was set up on the recommendation of the Younger Committee on Privacy to select non-Press members of the Press Council...

Gatwick-Aberdeen flights to start

BY MICHAEL DONNE, Aerospace Correspondent BRITISH AIRWAYS is starting its first domestic trunk flight from Gatwick airport on April 1, with a twice-daily service to Aberdeen...

Cortina windows check

FORD is recalling 23,000 Cortina cars for checks into faults which could cause the hinges of their opening rear quarter windows to become detached from the glass...

Miner go on radiat register

BY DAVID FAHLOCK, Science Editor ABOUT 1,500 more underground mine coal miners—such as coalminers and cyp—are to be included in the national register of workers. This was announced by Dr. Andrew McNeil of the National Radiation Board...

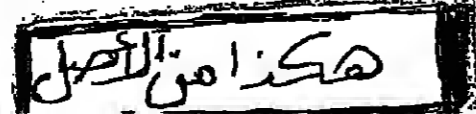
Britain e more ant

SALES OF past have been good. The British have continued to buy a 'surv' yesterday, by Annual consumption half a pound a 11 16 in 1976, a predicts consumer. 'Thor' has been in use in such oil hospitals, prison dining rooms. But increase has promotion of e due to sperm...

SNOW REF

Underneath ... 45 Fresh snow on ... 150 20 Good powder in ... 200 25 Good powder in ... 250 30 Good powder in ... 300 35 Fresh snow on ... 350 40 Fresh snow on ... 400 45 Fresh snow on ... 450 50 Fresh snow on ... 500 55 Fresh snow on ... 550 60 Fresh snow on ... 600 65 Fresh snow on ... 650 70 Fresh snow on ... 700 75 Fresh snow on ... 750 80 Fresh snow on ... 800 85 Fresh snow on ... 850 90 Fresh snow on ... 900 95 Fresh snow on ... 950 100 Fresh snow on ... 1000 105 Fresh snow on ... 1050 110 Fresh snow on ... 1100 115 Fresh snow on ... 1150 120 Fresh snow on ... 1200 125 Fresh snow on ... 1250 130 Fresh snow on ... 1300 135 Fresh snow on ... 1350 140 Fresh snow on ... 1400 145 Fresh snow on ... 1450 150 Fresh snow on ... 1500 155 Fresh snow on ... 1550 160 Fresh snow on ... 1600 165 Fresh snow on ... 1650 170 Fresh snow on ... 1700 175 Fresh snow on ... 1750 180 Fresh snow on ... 1800 185 Fresh snow on ... 1850 190 Fresh snow on ... 1900 195 Fresh snow on ... 1950 200 Fresh snow on 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Map by George Philip and Son Ltd. © 1977.

Midland Bank International  Delivers.

Who is building a new helicopter to advance the offshore search for new oil and gas supplies ?

Who moves the equivalent of the world's population by elevator and escalator every nine days ?

Who sent Viking on its way to Mars and helped guide it to a gentle touchdown ?

Who just won a \$15-million contract to supply gas turbine compressor systems in the North Sea's largest gas field ?

Who supplies jet engines to more than 200 of the world's airlines ?

Who has tripled earnings in the last five years ?

Who builds more jet engines and elevators than anyone else in the world ?

Who just won a U.S. competition for a military helicopter with great potential for European sales ?

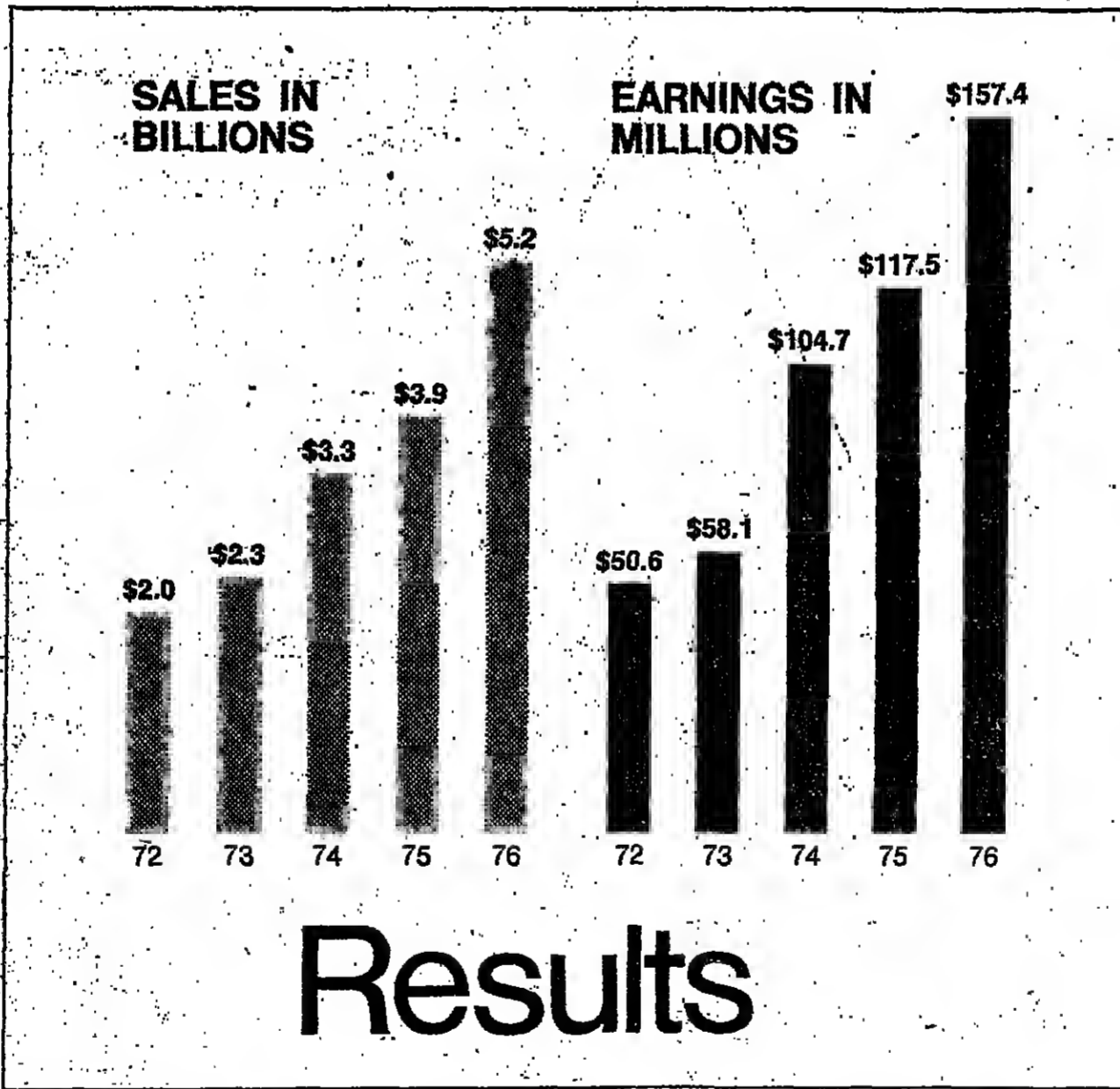
Who spent nearly \$1 million a day for research and development in 1976 ?

Who has increased sales by 155 per cent over the last 5 years ?

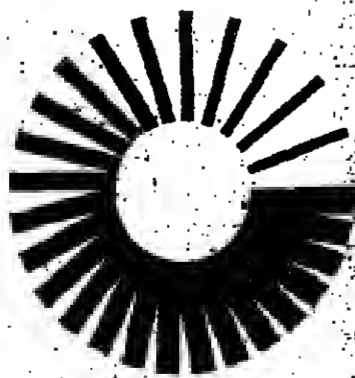
J.P. Morgan

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Pratt & Whitney Aircraft Group • Otis Group • Essex Group • Sikorsky Aircraft • Hamilton Standard

Power Systems Division • Norden • Chemical Systems Division • United Technologies Research Center

Who moves the equivalent of the world's population every nine days?

Who supplies jet engines to more than 100 of the world's airlines?

Who just won the competition for military helicopters with great power for Europeans?

Who has raised sales 55 per cent in the last 5 years?

12 Technical Page

WATER POWER

Water mill makes a comeback

ALTERNATIVE technology, which, it says, combines with power derived from the sun and the wind and imposing a minimal burden on the environment from human beings is being discussed worldwide...

METALWORKING

High speed melting

ELECTRIC induction furnaces are particularly suited to high melting rates as high power densities can be applied...

DATA PROCESSING

Cuts design costs

GENESYS automated design routines for a growing number of building and civil engineering basic structures and problems are being made available on the powerful but low-cost Interdata minicomputers which include a series of 16-bit and 32-bit machines.

Bearings are designed for a minimum of 30,000 hours at constant speed. Four basic sizes of seal make the range and they can be angle or twin jet so that there are eight versions in the Hydrex series.

As part of the operation, Interdata is setting up one of its 732 machines at Fenning House, the Genesys headquarters in Loughborough where the required development work will be carried out.

ELECTRONICS

Filipp Laser diode

A RELATIVELY new type of semiconductor laser diode is well to continue support of the line of development to produce a laser which will run on household large machines.

HANDLING

Vacuum pumps

FOR a range of laboratory and industrial applications, a portable vacuum pump has been developed. It is a direct drive, oil sealed rotary vane unit...

COMPO

Saving

Applications are expected in optical data transmission, infra-red illumination, intrusion detection and safety trip applications.

INSTRUMENTS

Assesses gas quality

ONLINE analysis of synthetic natural gas to give accurate figures for energy content and specific gravity can be performed with a computer managed chromatographic analyser put on the market by Electronic Associates.

SUPPORT

Xerox user

USERS of Xerox computing equipment who were left to sink or swim over a year ago when Xerox Corporation decided to move out of its main campus in Cambridge, Mass., and then were rescued by Honeywell, will not have much longer to wait before resuming their progress with the Sigma machines, albeit towards a final solution within the Honeywell equipment.

MATERIALS

Attack on clear vinyl market

HIGH GRADE glass-clear vinyl sheeting is an expanding market, which can handle a high proportion of abrasion.

Spirally wound tubing

GALVANISED STEEL tubine made from thin gauge (20, 22 and 24) strip using an external Lockseam four-ry joint, is now available made to order in any transportable lengths, or in standard 10-foot lengths, from Weathermaker Equipment.

High heads from small pumps

The 6-inch pump, fitted with a 73 hp engine, operates at a maximum head of 250 feet and the 3-inch model, with a 44-hp engine, reaches 350 feet.

Freight Storage & Distribution

NOT JUST BRIC MORTAR SER! We have more than 650,000 sq. ft. of cold storage...

NOTICE OF REDEMPTION

to the Holders of Depontures Payable in American Currency of the Issue Designated Sandvik Aktiebolag

9% Sinking Fund Debentures Due 1.5.1986

Table with columns for Debenture numbers, amounts, and interest rates. Includes a 'PUBLIC NOTICE IS HEREBY GIVEN' section.

Notice of Redemption

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of May 1, 1972 under which the above described Notes were issued...

Table listing Rockwell International Corporation bonds with columns for number, amount, and date.

The Notes specified above are to be redeemed for the said sinking fund at the W.C.G. Agency Services of Citibank, N.A. Fiscal Agent...

For ROCKWELL INTERNATIONAL CORPORATION By CITIBANK, N.A. Fiscal Agent

The maker is at Abbeydale Road, Wembley, Middlesex, HA9 1PR (01-828 7721).

FOR SANDVIK AKTIEBOLAG by Bank of America, S.A. - Luxembourg

HOME NEWS

C gives m. aid to inspecting uranium

Is making over £2m. on a shared-risk basis search for new sources in an extension of a scheme first...

Ramsay writes from Japan is about to send of irradiated nuclear reprocessing plant...

The economy it off ing

Party owners to post and decorating was Mr. F. C. Turner, newly-elected president of the National Federation and Decorating Council...

starts to penetrate and rust in metal, and flaking paint lets windowsills. are only the start of which in the end will more troublesome and...

March 15, 1977

Devolution plans of Liberals may come under fire

THE CONTROVERSIAL devolution proposals from the Liberals, which are to be put to Mr. Michael Foot, Lord President, at a meeting to-day are likely to run into opposition from the Scottish and Welsh Labour Parties.

British federation proposed by Grimond

ENGLAND MUST act as one of taxation — with only three broad exceptions, defence, foreign affairs and overall economic planning.

Industry 'has duty to youth' COMPANIES should recognise that they have a responsibility for developing the potential of young people.

Education debates completed

By Michael Dixon, Education Correspondent THE GOVERNMENT had learned a lot from its eight regional conferences on educational reform.

Southern runs extra trains for Easter

SOUTHERN REGION will run 30 extra main line trains to the south coast, West Country and Channel ports for Easter travellers.

Train services over the holiday week-end will be Thursday, April 7—Weekday service with extras. Adjustment to evening business service.

NOTICE OF REDEMPTION To the Holders of FUJI PHOTO FILM CO., LTD. (Fuji Shashin Film Kabushiki Kaisha) 6% Convertible Sinking Fund Debentures due October 20, 1985

A wholly owned subsidiary of Baker Perkins Holdings, Ltd. Peterborough, England. has acquired the minority interest in its United States subsidiary Baker Perkins Inc.

To-day's Events GENERAL First meeting of Government and Liberal Party joint consultative committee.

COMPANY RESULTS House of Fraser (full year). Peachey Property Corporation (full year). Prudential Assurance (full year). Tube Investments (full year).

Banque Nationale de Paris Limited Steady expansion maintained in 1976 Extracts from the Statement by the Chairman, Sir Patrick Reilly, s.c.m.s., s.b.e. Ten Year Record

RUSTENBURG PLATINUM HOLDINGS LIMITED (Incorporated in the Republic of South Africa) DECLARATION OF DIVIDEND AND INTERIM REPORT Financial results: On-mine capital expenditure for the six months to 28th February, 1977 amounting to R13.3M has resulted in the comparatively low provision for taxation and State's share of profits for this period...

Carloli

Investment Trust Limited

The 70th Annual General Meeting will be held on 22 April, 1977. The following is an abbreviated statement by the Chairman, Mr. D. A. Pease:—

The underlying principle on which the Trust's investment policy has been based is that of spreading the risk between different currencies and industries. The final results have shown some diminution of asset value per share but a substantial increase in revenue and in dividend distribution.

The total income of the company reached a record figure with an increase of 22% on the previous year.

The total dividend has been increased by 20% to 3.30p per share (1976 2.75p per share). A second interim in lieu of final will be paid on the 4th April, 1977. This is the eighth successive annual increase in distribution.

The British share market is buoyant and currently stands at a three and a half year peak. This performance would seem to ignore current industrial and political problems and anticipates improved trade and financial conditions in the U.K., occasioned by strength in the balance of payments through improved terms of trade and oil revenues.

I feel that in spite of this country's much publicised difficulties the outlook for ordinary shares is improving. Earnings multiples are still historically low and inflation at the current level of about 20% gives little protection to any investment not linked to the real values which equities provide over the longer term.

SUMMARY OF RESULTS

	31.1.77	31.1.76
Total Net Assets	£17,307,100	£18,710,896
Net Asset Value per Ordinary Share	137p	153p
Net Revenue	£370,015	£301,612
Per Ordinary Share		
Earnings	3.63p	2.94p
Dividend	3.30p	2.75p

Copies of the Annual Report available from the Secretary at Millburn House, Newcastle upon Tyne, NE1 1LU. Telephone: 0632-28993.

The Tyneside

Investment Trust Limited

The 70th Annual General Meeting will be held on 22 April 1977. The following is an extract from the statement by the Chairman, Mr. R. H. Dickinson:—

During the year under review our gross income increased by 23%, and the Board have declared a second interim dividend, in lieu of final, of 2.30p per share, making 3.30p for the year - an increase of 20% over 1976.

The net asset value per share fell by approximately 10% during the year compared with a fall in the FT Ordinary Share Index of 6%, and is mainly attributable to a fall in the Dollar Premium representing 15p per share. Since the year end the premium has recovered from 29% on \$1.71 to 40%.

Since the Government's successful application to the International Monetary Fund for a large international loan, the sterling exchange rate has stabilised and if Government expenditure can be brought under control and the rate of inflation further reduced, the outlook for the United Kingdom economy, with increasing benefits from North Sea oil over the next few years, is more encouraging than it has been for some time.

However, recent events in the motor industry highlight the difficulties, resulting in the main from erosion of pay differentials, which the Government faces in devising a third stage of its Incomes Policy.

Until the outlook for the U.K. economy and the sterling exchange rate is a good deal clearer, we do not propose to reduce the international spread of the Company's portfolio, which has stood us in such good stead over recent years.

SUMMARY OF RESULTS

	31.1.77	31.1.76
Total Net Assets	£9,872,053	£10,779,638
Net Asset Value per Ordinary Share	131p	147p
Net Revenue	£223,026	£179,337
Per Ordinary Share		
Earnings	3.49p	2.79p
Dividends	3.30p	2.75p

Copies of the Annual Report available from the Secretary at Millburn House, Newcastle upon Tyne, NE1 1LU. Telephone: 0632-28993.

LABOUR NEWS

Pay move threatens unity of AUEW

BY ALAN PIKE, LABOUR STAFF

THE FRAGILE unity of the four sections of the Amalgamated Union of Engineering Workers will be stretched to possible breaking point by a decision yesterday that the dominant engineering section should again go its own way on pay policy.

At last year's AUEW conference there were bitter scenes on the platform between Mr. Hugh Scanlon, president and Mr. John Baldwin, leader of the construction section, over the way in which the engineering section national committee had already decided to support phase two of the pay policy.

Because of the size of the engineering section this effectively forced the policy on the whole union.

Despite the acrimony which this caused, the engineering section executive yesterday decided to recommend that pay

movements should again be debated by its national committee when it meets at Eastbourne in May rather than await the conference of the full union the following week.

Mr. Baldwin has already made it clear that he will voice his strong disapproval about remaining in the AUEW amalgamation when his own construction section conference meets later in May and yesterday's decision will strengthen his hand.

There is also likely to be criticism of the move at the conference of the other sections - foundry and staff - which meet before the national committee.

Engineering workers are unhappy about the effects of incomes policy on pay differentials and the AUEW can be expected to take a tough line towards any third phase of policy wherever the decision is reached.

Jack Jones accuses Mail of 'lies campaign'

BY OUR LABOUR STAFF

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, yesterday accused the Daily Mail of promoting a "Goebbels-type" lie campaign against trade union leaders.

Yesterday the newspaper accused Mr. Jones of using elderly patients as pawns in the Surrey hospitals dispute. The dispute, which affects five hospitals to the Epsom area, is over new working rotas and the dismissal of 32 staff for alleged breach of contract.

The Mail claimed patients were shivering in cold wards because blocking pickets had turned back oil supplies for the central heating. Mr. Jones said every possible effort was being made to ease the patients' discomfort.

He accused the newspaper of attacking the union instead of the management which, he said, had "unfairly discharged 32 Spanish workers who were doing jobs in Britain that other people would not do."

Yesterday afternoon talks began between the Surrey Area Health Authority and the TGWU in an effort to resolve the nine-day-old dispute.

Talks between the Surrey Area Health Authority and the TGWU ended last night with both parties agreeing to meet again to-day with help from the Advisory, Conciliation and Arbitration Service.

Mr. Mick Martin, a TGWU national officer, said there had been considerable progress at the meeting.

BSC meets to-day on Port Talbot closure

By David Churchill, Labour Staff

MANAGEMENT at British Steel Corporation's Port Talbot works in South Wales meets to-day to decide whether or not to carry out the threat to close the plant because of a strike by 520 electricians.

This follows the electricians' decision last night to stay on strike in spite of their union's executive instruction to return to work. The strikers' members of the Electrical and Plumbing Trades Union, walked out last week over a claim for £10 rises to restore pay differentials with other skilled workers.

BSC had originally threatened to shut the plant down yesterday, laying off about 13,000 workers, but agreed to suspend the decision pending last night's meeting. But a spokesman said last night that lay-offs would be decided by management to-day.

After last night's meeting, Mr. Wyn Bevan, EPTU works convenor, said that the meeting had voted by 400 to 65 to throw out the union's recommendation to return to work while negotiating a pay rise for a small number of men working on new plant. "We want more money for all the men," he said.

The Port Talbot plant, which the Government recently decided is to undergo a major development programme, has a capacity of about 60,000 tonnes a week although it is presently producing below this level.

Speke plant hit

The tyre component plant at Dunlop's Speke, Liverpool, rubber factory was at a standstill yesterday with 1,300 men on three shifts laid off. Some 120 process workers are staging an unofficial strike, claiming pay for a meeting in working hours, and are not due to meet again until Friday.

Pontin's seeks injunction

The high court is to decide to-day whether to grant an injunction ordering strikers at Pontin's holiday camp in Prestatyn, North Wales, to end their occupation.

Pontin's applied for the injunction yesterday, because the holiday season begins at Easter.

Disbanding move
Delegates representing more than 2m. white collar workers will discuss whether the 50-year-old National Federation of Professional Workers should be disbanded at to-day's annual conference in London.

Bangers and cash
Six hundred workers at a Scottish sausage skin manufacturing company, Devro, are to receive pay rises of £1.40 a week, linked to productivity increases.

The Department of Employment has agreed to the rise because the productivity scheme was implemented before August, 1975, when the pay policy came into force.

Cammell crisis
Management at Cammell Laird's Birkenhead shipyard, where 40 strikers have been on unofficial strike for five weeks, will decide to-day whether to make mass lay-offs which will virtually shut the yard.

Aircraft congress
A two-day conference on international trade union co-operation for the aerospace industry, which began in Looe, yesterday, discussing ways in which aircraft workers could co-operate on unemployment in the industry.

The conference, called by International Metalworkers' Federation, also wants governments to build more commercial aircraft and fewer military aircraft.

Refinery protest
A mass meeting of 2,000 Tate and Lyle workers at its Liverpool refinery yesterday declared their total opposition to the company's proposed rationalisation plan which could lead to the loss of over 1,500 jobs in the next four years.

Threat to Singer's
Singer's Clydebank sewing machine factory could be forced to lay off most of its 5,000 workers unless negotiations in Glasgow over a bonus dispute, which has already led to 700 lay-offs, succeed to-day.

APPOINTMENTS

Lloyds Bank executive posts

Mr. George Williams has been appointed to the main Board of LLOYDS BANK from April 1 and will also succeed Mr. W. F. Cartwright as chairman of the South Wales Regional Board. Mr. Williams, who has been a regional director since 1972, is chairman of Christie-Tyler.

new post results from organisational changes within the OSO. Mr. Alan Blackshaw, who was deputy director-general, took up the post of director-general on January 1 in succession to Mr. Peter Gibson. Mr. Smith will be succeeded from Barings to the OSO for a two-year period.

HOUSE REED SHAW LONDON, a member of the Stenhouse Reed Shaw group. Each will have regional responsibilities. Mr. K. Davis, Mr. D. Potter, Mr. W. M. Jamieson and Mr. M. Wright have been appointed local directors with branch responsibilities.

BAT INDUSTRIES has made the following appointments from April 1: In the retail division Mr. P. W. Longland becomes chairman in place of Mr. P. Macadam who leaves the divisional Board. Mr. G. L. Dennis will be a divisional director. At the paper division Mr. P. J. Ricketts is to be a divisional director. Mr. R. G. Baker is to be secretary of the company in place of Mr. Ricketts.

Mr. M. V. Nyree is to become managing director and chief executive of the mining technical services and process plant design company, SELTRUST ENGINEERING, a member of the Selection Trust group, from April 1. Mr. R. V. Rumble, who relinquishes the position of chief executive after reaching normal retirement age, continues as chairman, in a non-executive capacity. Mr. T. A. Wells, at present general manager, becomes deputy chairman.

Mr. Andrew Chryssolor has been appointed managing director for the U.K. and Ireland of BAUSCH AND LOMB Soflens division. He was formerly with Allergon Canada where he was general manager of Canadian operations.

Mr. Robert M. Bennett, a dock gatekeeper, has been appointed a non-executive director of MERSEY DOCKS AND HARBOUR COMPANY. He replaces Mr. John F. King, the first worker director to be appointed, who served on the Board for two years.

Mr. David Gunn has been appointed to the Board of BUILDING (PUBLISHERS).

Mr. S. J. Wickenden has been appointed purchasing director of JOHN F. RENSRAW AND CO.

Mr. Nigel Bulpitt has been appointed divisional director planning and control of NCR. Mr. Fred Bates replaces Mr. Bulpitt as chief accountant.

Mr. Frank R. Pedler has been appointed chairman of the RELIANCE MUTUAL INSURANCE SOCIETY and its subsidiary, British Life Office. He succeeds the late Mr. F. D. N. Simon.

The SHIRT MANUFACTURERS' FEDERATION has elected the following officers for 1977-78: Mr. David Buck (chairman), Mr. Tom Edge (senior vice-chairman) and Mr. Donald Simpson (junior vice-chairman). Mr. Buck will also be honorary treasurer.

Mr. Anthony Hewitt has been appointed general manager and Mr. Martin Latham, manager of the newly-formed UNION BANK OF THE MIDDLE EAST, based in Dubai, United Arab Emirates.

Mr. R. M. W. Hammond, Mr. D. A. Christelow and Mr. S. S. Whitehead have been appointed executive directors of STEN-

Rand Selection Corporation Limited

(Incorporated in the Republic of South Africa)

US \$30,000,000

6 1/2 per cent. Convertible Loan 1986

NOTICE OF MEETING OF BONDHOLDERS

As announced in the press today agreement has been reached between the boards of Anglo Corporation of South Africa Limited ("Anglo American") and Rand Selection Corporation ("Rand Selection") to place before shareholders of Rand Selection a proposal to merge companies by means of an exchange of two Anglo American shares for each Rand Selection share. In addition Rand Selection has agreed to proceed with a rights issue of 10,562,598 ordinary shares on the basis of 25 new ordinary shares for every 100 shares held at a price which will be advertised separately. In view of the intended merger between Anglo American and Rand S is proposed to place before Bondholders proposals for the amendment of the Trust Deed of the Loan, the effect of which will be to substitute for the existing rights of conversion of the shares of Rand Selection rights of conversion into shares of Anglo American on the same merger terms, subject to the merger being approved by Rand Selection shareholders. The effect will be to enable Bondholders to convert their Bonds into Anglo American shares at a rate of Anglo American share (which price will be adjusted under the existing Trust Deed, to reflect issue), in terms of the Trust Deed the rate of exchange to be used for converting Bonds is fixed at US \$1.40 = R1.

As in the case with Rand Selection shares arising from conversion of the existing Bonds, Anglo American Exchange Control authorities have given approval for the proceeds of a first issue of Anglo American shares arising from the conversion of the Bonds into Anglo American shares to be converted into US dollars of such other currency as the South African Reserve Bank may authorise. The Trust Deed of the Loan, as amended, is being submitted to the Bondholders, and it is the opinion of the above-mentioned proposals for submission to the Bondholders for their consideration. Notice is accordingly hereby given that a meeting of the holders of the Bonds representing \$30,000,000 6 1/2 per cent Convertible Loan 1986 of Rand Selection Corporation Limited will be held at the offices of N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4M 3DF on Monday the 25th day of April 1977 at 14.30 hours for the purpose of considering and, if passing the following resolution which will be proposed as an Extraordinary Resolution, expression is defined in the Trust Deed dated 1st March, 1971 constituting the Loan:—

"That, subject to the proposed merger of Anglo American Corporation of South Africa Limited and Rand Selection Corporation Limited becoming effective, this meeting of the holders of the Bonds representing the US \$30,000,000 6 1/2 per cent Convertible Loan 1986 of Rand Selection Corporation Limited sanctions any abrogation, modification, compromise or arrangement in respect of the Bonds and all modifications of the Trust Deed dated 1st March, 1971 constituting the Loan effected by the execution of the Supplemental Trust Deed, a copy of which has been presented to the meeting and has for the purpose of identification been subscribed by the Chairman, and accordingly authorises and requests N. M. Rothschild & Sons Limited, as Trustees of Rand Selection Corporation Limited, in executing the said Supplemental Trust Deed, such amendments (if any) as may be approved by Rothschild Trust Company Limited."

Dated 30th March, 1977.

By order,
For and on behalf of,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA
London

- NOTES:
1. Bondholders wishing to attend and vote at the meeting must produce to the Chairman their Bonds or a valid Voting Certificate for the Bonds, in respect of which they wish to vote. Bondholders who do not desire to attend in person may deposit either their Bonds or the Voting Certificates issued in respect thereof with N. M. Rothschild & Sons Limited, for production to the Chairman at the meeting at the undermentioned address, at any time prior to the meeting. The voting rights attached to such Bonds or Voting Certificates will be exercised in accordance with any voting instructions given therewith, and in the absence of such instructions the Chairman of the Meeting will vote or abstain at his discretion. Voting Certificates may be obtained from any of the undermentioned paying agents.
 2. Anglo American Corporation of South Africa Limited have agreed to pay to every paying agent, bank or similar institution with which Bonds are deposited for the purpose of the issue of Voting Certificates a handling fee of US \$2. In respect of each Bond of US \$1,000 nominal value at the meeting, such payment will be made whether or not the resolution to be proposed at the meeting is duly passed.
 3. Every question at a meeting of Bondholders is decided on a show of hands unless a poll is duly demanded. On a show of hands every person present and entitled to vote has one vote. On a poll every such person has one vote in respect of each \$1,000 nominal amount of Bonds held, or represented by Voting Certificates held by him.
 4. An Extraordinary Resolution means a resolution passed at a meeting of Bondholders duly convened for the purpose of such a meeting, and which is supported by a majority consisting of not less than four-fifths of the persons voting thereon in person or, if a poll is demanded, their valid proxies or, if a poll is demanded, their valid proxies, such a poll. An Extraordinary Resolution is binding on all the Bondholders of the Loan, whether or not they are present at the meeting or not.
 5. The quorum required for the meeting of the holders of Voting Certificates is two persons, representing the aggregate of not less than 10% of the Bonds for which the quorum is required, or any number of persons present holding Bonds or Voting Certificates together, or representing in the aggregate not less than 10% of the nominal amount of the Bonds for which the quorum is required.
 6. Copies of the proposed Supplemental Trust Deed, and the document setting out the proposed amendments to the Trust Deed, and the proposed amendments to the Trust Deed, are available at the offices of the undermentioned agents and at 40 Holborn Viaduct, London EC1A 3DF, during usual business hours on any day, and on public holidays excepted up to and including the day of the meeting and any adjourned meeting, available at the meeting and any adjourned meeting.

- PAYING AGENTS:
- N. M. Rothschild & Sons Limited
New Court
St. Swithin's Lane
London E.C.4.
 - Pierson, Haldrup & Pierson
206/214 Herengracht
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March 23, 1977



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JOINT COMPANY ANNOUNCEMENT

Anglo American Corporation of South Africa, Limited ("AAC") Rand Selection Corporation Limited ("Rand Selection")

Final Merger Terms, Proposed Rights Offer by Rand Selection of 10 562 538 Shares of 50 cents each and Notices of General Meetings

The boards of directors of AAC and Rand Selection announce that they are proceeding with the proposed merger of the two corporations on the basis of 200 ordinary shares in AAC for every 100 ordinary shares in Rand Selection.

The head office and United Kingdom transfer registers and registers of members of Rand Selection will be closed from 2nd April to 15th April 1977, both days inclusive, for the purposes of the rights offer.

Notice of General Meeting of AAC

Notice is hereby given that a general meeting of members of Anglo American Corporation of South Africa, Limited will be held at 44 Main Street, Johannesburg, at 11h00 on 25th April 1977 for the following purposes:

1. To consider and if deemed fit to pass, with or without modification, the following resolution: That subject to the passing and registration of the special resolution increasing the capital of the Corporation from R20 000 000 to R30 000 000 by the creation of 100 000 000 new ordinary shares of 10 cents each...

2. To consider and if deemed fit to pass, with or without modification, the following resolution: That subject to the passing and registration of the special resolution increasing the capital of the Corporation from R20 000 000 to R30 000 000 by the creation of 100 000 000 new ordinary shares of 10 cents each...

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For and on behalf of RAND SELECTION CORPORATION LIMITED ANGLo AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED P.J. Esterhuysen Senior Divisional Secretary

March 29 1977

The Management Page

The senior executives of Harp Lager are finding that the startling success of their company in recent years is leaving them little to aim for. Ken Gooding reports.

A consortium under strain

ALL THE evidence points to it is estimated that 99 per cent. there having been considerable of licensed retail outlets in the stresses within the Harp Lager U.K. stock Guinness—Harp Board in recent months. And quickly developed into the lager situation spotlights some of the peculiar problems which share of total lager sales.

It built its own lager which is in turn owned by a consortium of companies.

Three major brewing groups have equal shareholdings in Harp. They are Guinness, Courage—the brewing arm of the Imperial Group—and Scottish and Newcastle Breweries. Two other brewers—Greene King and Wolverhampton and Dudley Breweries—each have minority stakes of just under 2 per cent.

Harp's problems apparently stem from its own enormous success and the fact that its chosen market has shown a growth rate which has startled everyone in the beer business. From a mere 2 per cent. share of beer sales in the early 1960s, lager has grown to account for about 25 per cent.

Harp was set up in 1960 when Guinness thought it would be a good idea to take an interest in another type of beer apart from its famous stout. Lager, which superficially is right at the other end of the beer spectrum, seemed an ideal choice. But Guinness has no "bits of its own and to introduce a new beer brand it is necessary to have a solid base provided by "tied" outlets. So brewers which did have their own pubs were invited to join in a consortium arrangement.

roughly 576m. pints) of total sales a year. Currently there are more than 1,000 brands of "ale" available in the U.K. compared with perhaps 30 to 40 lager brands and this must become better balanced as the demand for lager grows.

There will also be the need to convert more of the industry's existing production capacity to lager.

The problem the consortium members faced was whether they should leave all of their lager business to Harp. This would involve the introduction of more brands by Harp—it added Kronenbourg to its operations last year and has already built sales to around the 500,000 barrel level—and possibly see it building more breweries.

Harp is faced with a completely changed situation. There is now a marked limitation put on the consortium's growth because, rather ironically, it will in future be used in the way a consortium vehicle should be used. When the market is ripe for a minority-interest product which an individual partner would not find worth producing, Harp can produce it for all the partners. But there will be no more major brands launched.

A case for regeneration on a smaller scale

BY GRAHAM ROSS RUSSELL

IN THE PAST, Government intervention to aid the regeneration of industry has normally amounted to nationalisation, or interference in the form of restructuring companies into larger groups. Yet there is little evidence that restructuring into larger groups has improved performance, and the general experience of the last 20 years does not inspire confidence that the nation's economy will benefit from a greater concentration of industrial power in a smaller number of companies.

Since there is little evidence to prove that big company groupings improve performance Government policies should encourage a limitation on size.

Other brewers package the product under contract to Harp. And at the end of the financial year half the profit is distributed to the shareholders and the other half to Harp. The amount of the rebate depends on their sales that past year. The other half of the profits is available for the shareholders in the form of dividends and to plough back the remainder for investment. In addition, when capital expenditure plans have required it, the shareholders have reinvested part of their dividends in loan capital.

On the face of it, therefore, the partners have a successful company paying a reasonable return and it must not be forgotten that they collect all the packaging and retail profit on Harp sales—not one penny of that goes back to the consortium. So why has there been some stress? The trouble is that many U.K. brewers now expect lager to account for at least 33 per cent. of the total beer market by 1980 and 40 per cent. by 1985.

This explosion in demand would indicate two things: there will be a need for more lager brands because it is accepted in the industry that no one brand of beer can be expected to achieve much more than 2m. bulk barrels (that is

Extra brewing capacity

The partners have decided this shall not be. They have said they will be introducing lager brands on their own account, or at least S&N and Courage have said so, and also that when Harp needs any extra brewing capacity they will take care of it at their breweries.

There probably would have been no public declaration of intent by the partners if it had not been for considerable City speculation in recent months about the Harp consortium's future.

What is going to happen when the partners line up their own lagers in competition with Harp? An indication was given by S and N recently when it said pointedly that its McEwan's was "selling well alongside Harp" and was "not taking market share from our ales"—which is another way of saying McEwan's is cutting into Harp's sales in Scotland.

Two brands of its own

They included S and N to cover Scotland and the North. Bass Mitchells and Butler for the Midlands, and Courage in the South East. BMB soon dropped out because it merged with Charrington United Breweries in 1967 to form Bass Charrington. As a result it found itself with two lager brands of its own—Tennents for Scotland and Carling Black Label for England and Wales—and it saw no need to support Harp any longer.

Even so, with the 7,200 pubs owned by S and N and Courage to rely on and Guinness's immense strength in the "free" (non-brewer-owned) trade—it

is easy to understand why the partners did not want to split up Harp. There is a lot involved in the way of tangible assets as a recent sale of shares to Wolverhampton and Dudley showed—it priced Harp at £50m. And goodness knows how much goodwill should be added in respect of the Harp name. It remains the best-selling individual lager brand in the U.K. and it is a very expensive business building up market share in the U.K. and abroad.

The management team at

Other problems to cope with

All this comes at a time when the Harp team will have plenty of other problems to cope with. It will be difficult enough for larger sales to continue to grow at the previous rate now that they have reached such a big percentage of the market. It can also be taken for granted that the "image" of lager will come in for a battering at the hands of the Price Commission when it reports on beer prices (this supplier). So the Harp management has its hands full with the partner-owners admitting "we are both for you and against you."

The Harp executives are now asked to adapt themselves to a situation where their company has changed from being in a dynamically growing business where the sky was the limit to one where the ultimate destination is quite clearly defined.

They also must accept major competitors having unfettered access to their plans while having no obligation to give details of their own intentions. And there are still a fair number of unanswered questions about the possible future behaviour of the partners.

Government policies should encourage a limitation on size

The present tax system favours large companies; investment capital for a new or expanding company is supported more easily within a larger group where the tax shield from new investment can be utilised by profits from existing operations. Furthermore, the effects of the present tax system prejudice the ability of smaller companies to raise capital, for the very high rates of tax on investment income have effectively diminished the role of the private investor—who used to be a major source of financial support for small and growing companies. For the independent entrepreneur who does not succeed, the effect of Capital Transfer Tax is that he can no longer hope to pass on control to the next generation, and may therefore prefer to sell out to a large company.

Our financial system also encourages "bigness." An plentiful supply in the U.K. As well as preferring a small group, most of us benefit from hands of institutional investors who for administrative reasons seek to limit the number of companies in which they are invested. Thus there tends to be a prejudice against the small, and a company purely on the grounds of its size and consequent poor marketability of its shares, and the effect of this is that small panes not to grow above their optimum size, and we should encourage the pre-brokers and a point may have to pay more for

BUSINESS PROBLEM BY OUR LEGAL STAFF

Retirement relief

I own a company running a business from which I propose to retire in the immediate future. After all liabilities have been met (there should be a credit balance of £15,000. How can I withdraw the money from the company to myself with minimum tax liability I shall be 65 in June.

You may well be able to wind up (liquidate) the company without any capital gains tax liability on the cash paid out to you by the liquidator, because of what is generally called retirement relief. The legislation is in section 24 of the Finance Act 1965 (as amended by subsequent Finance Acts) and, in particular, in paragraph 2 of schedule 10 to the Finance Act 1966. Strictly speaking, you are not entitled to this relief, but the Inland Revenue are quite generous in practice.

The company's accountants will no doubt be able to guide you on the procedure for liquidation, and on the application of the concessions announced in an Inland Revenue Press release on August 9 last year.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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Highlights at 12/31/76

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هنا من الصل

White Paper

on Cash Limits

Housing finance brought into scheme

State widens controls over spending programme

THE GOVERNMENT dilute by local authorities, etc. ed a White Paper on given in Table 2. Cash limits...

1977-78 cash limits for government expenditure... Nationalised industries... Budget Report...

Using investment, slum and expenditure under Community Land Act...

Cash Limits 1977-78. Contd. 676; Stationery Office; 35p.

Local Authority Capital Expenditure Blocks

Table 2: Local Authority Capital Expenditure Blocks. Columns: Department, Description of Block, Cash Limit £m. Rows include ENGLAND (Education and Science, Employment, Environment, Health and Social Security, Home Office, Transport, SCOTLAND, WALES) and SCOTLAND (Scottish Office, Scottish Education, WALES).

Central Government blocks

Table 1: Central Government blocks. Columns: Department, Description of Expenditure, Cash Limit £m., Department, Description of Expenditure, Cash Limit £m. Rows include Ministry of Agriculture, Fisheries and Food, Intervention Board for Agricultural Produce, Central Office of Information, Charity Commission, Civil Service Department, Crown Estate Office, HM Customs and Excise, Ministry of Defence, Department of Education and Science, Department of Employment, Department of Energy, Department of the Environment, Foreign and Commonwealth Office, Exchequer and Audit Department, Export Credits Guarantee Department, Office of Fair Trading, Forestry Commission, Friendly Societies' Department, Government Actuary's Department, Department of Health and Social Security, Home Office, Department of Industry, Board of Inland Revenue, Land Registry, Lord Chancellor's Department, National Debt Office, Department for National Savings, Ordnance Survey, Ministry of Overseas Development, Parliamentary Commissioner and Health Service Commissioner, Office of Population, Census and Surveys, Department of Prices and Consumer Protection, Privy Council Office, Public Record Office, Public Trustee Office, Public Works Loan Commission, Her Majesty's Stationery Office, Department of Trade, Department of Transport, Her Majesty's Treasury, Treasury Solicitor, SCOTLAND, Department of Agriculture and Fisheries for Scotland, Scottish Courts Administration, Scottish Development Department, Scottish Economic Planning Department, Scottish Education Department, Scottish Home and Health Department, Department of the Registers of Scotland, Registrar General's Office, Scottish Record Office, Queen's and Lord Treasurer's Remembrancer, WALES, Northern Ireland, Northern Ireland Office, Northern Ireland Departments.

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LEGAL NOTICES. THE OFFICIAL ASSIGNEE IN THE MATTER OF THE ESTATES OF THE FOLLOWING: F. DELAUNAY'S 9th November 1970, A. C. W. DELAUNAY'S 15th February 1971, J. H. DELAUNAY'S 17th December 1972, J. H. DELAUNAY'S 11th July 1973. APPOINTMENTS. COMMERCIAL APPOINTMENTS. 21st March 1977.

Ulster coalition may expel three MPs

THE COALITION of Loyalist and Unionist MPs in Ulster is to press with its threat to expel three Unionist MPs who refused to vote against the Government in the no-confidence motion last week. It was decided yesterday to invite the three MPs—Mr. Enoch Powell, Mr. Harold McCusker and Mr. John Carson—to explain their abstentions satisfactorily or to face expulsion. The Official Unionist Party of the seceder members of the coalition, to which all three MPs belong, will resist what it sees as a witch-hunt launched by the Rev. Ian Paisley's Democratic Unionist Party.

Brewery output trend remains depressed

THE UNDERLYING trend in the beer production remained depressed in February, according to statistics just released by the Brewers' Society. Output was 2.8m. bulk barrels (at 288 pints to the barrel), an increase of 5.9 per cent. on the production this year. However, output in February 1977 figures make allowances for last year was particularly low and this year the industry just about eked back to the 1974 level for the month. The brewers had expected a slow start to 1977 because of a place nearer the ultimate stocking-up which went on ahead consumer.

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Computer for Post Office experiments. THE POST OFFICE is starting computer monitored experiments to help it work out plans for new microwave transmission earth stations. The new earth stations are to operate with the next generation of communication satellites, such as Intelsat V and the European regional satellite system expected in service by 1979-80. Experimental transmissions over three years will be monitored by a £49,000 computer ordered from Honeywell information systems and to be installed at Martlesham Heath, Suffolk.

Head Office: BRACKEN HOUSE, CANON STREET, LONDON EC4P 4BY. Telephone Day & Night: 01-248 3000. Telegrams: Finantimo, London. Telex: Editorial 856341/2, 883397 - Advertising: 885033.

WEDNESDAY, MARCH 30, 1977

A provisional Budget

MR. HEALEY'S latest Budget turns out to be very much what most people expected. The reasons for this are straightforward enough. His freedom of action was circumscribed by three different but related constraints. The first is that the rate of inflation is still dangerously high and that its reduction must remain a principal aim of policy. He hopes now, in fact—though such hopes have been proved wrong before—to get the rate down to 13 per cent. by the end of this year and to single figures, provided he can reach a satisfactory agreement with the TUC by the second quarter of 1978. That will still be well above the rate of our main industrial competitors abroad.

ever, some cut in taxation was possible and generally foreseen. An overall cut was justified by the economic situation and compatible with the terms of the undertaking to the F&D. The size of the permissible cut in direct taxation, moreover, could be increased by raising indirect tax. The Chancellor has taken advantage of both possibilities. So far as the unconditional cuts in direct tax go, he is to be congratulated in helping those at all income levels—though he is, in fact, only partly reversing the past effect of fiscal drag—by easing the position of those working abroad. This shows a realism which leads one to hope that his references to the low level of company profitability are to be taken seriously and will influence the operation of the new price code.

Phase Three

The second constraint on the form of the Budget, therefore, was the need to reach an agreement with the TUC about a third phase of voluntary pay restraint. Serious negotiations about this have not yet begun because the union leaders were anxious to see the Budget proposals first, and some of them would have preferred the Chancellor simply to cut taxes. Instead, as he did last year, he has made a sizeable part of his proposed cuts conditional on a satisfactory agreement about Phase Three. And the third, overriding constraint, of course, was the undertaking given to the International Monetary Fund about public sector borrowing.

Tax cuts

The public sector borrowing requirement for the coming year turns out, as widely forecast, to be down far enough to permit sizeable tax cuts within the limits of the underwriting to the Fund. This is largely because the PSBR for the year just ended was well below expectations, and the reasons for this are not entirely clear. It seems possible that local authorities, in particular, are cutting back their expenditure, or, more plausibly, the system of cash limits seems to be working effectively. It is to be hoped that as economic activity revives the system will be used to make further cuts in public expenditure and so make further tax cuts possible. The Government itself is now clearly aware of the fact that the vast majority of workers want to be able to spend a larger share of their income for themselves.

So far as the increases in indirect tax go, they are admittedly no more than a first step in the right direction and only a small way towards restoring the balance that was upset by inflation. It is slightly odd, indeed, that the Chancellor did not introduce indexation or something similar to prevent the situation deteriorating again. But, in general, while he has made a sizeable part of his proposed cuts conditional on a satisfactory agreement about Phase Three, the need to avoid any unnecessary rise in the cost of living. This, in turn, was bound up with his hopes of securing a Phase Three agreement with the unions, on which his proposed cut in the standard rate of income tax is contingent. What would be regarded as a satisfactory agreement is not spelt out, though the forecast seems to imply an overall increase in earnings at about the annual rate of 10 per cent. as at present. The readiness of union leaders to meet him should be influenced not only by the economic forecasts, which admittedly make dismal reading, but by the risk that things could be considerably worse for their members if no agreement is reached. It is important that, if there is an agreement, they can persuade their members that it is in their own self-interest to observe it. Because it is uncertain how far they will be able to do this, the success or failure of this Budget will not become apparent for a good many months to come.

Butter is not the only issue

THE NEGOTIATIONS on European Community farm prices broke down—with Britain outnumbered by eight to one—on the narrow issue of the butter mountain. In essence, Mr. John Silkin, the British Minister of Agriculture, offered a devaluation of the green £ of just under two per cent. and was prepared to accept a three per cent. increase in farm prices (with the exception of dairy products) in return for a butter subsidy of 20p a pound, the subsidy apparently only to apply to the U.K. The package presented by the Brussels Commission late on Monday night consisted of a green £ devaluation of four per cent., farm price increases (including dairy products) of 3.5 per cent. and a U.K. butter subsidy of only 8p a pound. The net result would have been that Britain would have been paying out more on other products than it would have been getting back on butter. Mr. Silkin therefore rejected it.

Sense

The Minister has a point. The butter mountain exists. At its current level of around 200,000 tonnes, it is about the equivalent of two lbs for every man, woman and child in the Community. It makes sense to seek to reduce it, and it makes better sense to offer it at subsidised rates to Community members than to developed countries like the Soviet Union. The subsidy on the recent Soviet purchase was, in fact, about 40p a lb, twice the amount being sought by Mr. Silkin for sales in the U.K.

Reform

The other weakness is the failure to make more use of the green £ as a bargaining counter. It is perfectly true that the system of monetary compensation amounts designed to take account of changes in exchange rates is not illegal. It is a windfall to Britain within the rules of the system. But it is also expensive to those who have to pay it and the best course for Britain would be to offer gradually to give it up in return for a more thoroughgoing reform of the agricultural policy. Sitting tight on what we have, and then asking for more, is no way to a more sensible farm policy. What is more, the present position may well have repercussions in other areas of Community negotiations.

THE BUDGET

ECONOMIC ASSESSMENT

All the arithmetic points to a neutral policy

"Now here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!" (Alice Through the Looking Glass.)

Behind the window dressing, the Budget is a simple one. Although the Chancellor spoke about a £1.4bn. stimulus and of increasing employment by 100,000, the Budget is a neutral one which gives no fiscal stimulus whatever. This view is not a peculiar monetarist aberration on my part, but the soundest Keynesian arithmetic. Mr. Healey estimated the public sector borrowing requirement for 1976-77 at £8.8bn. His central estimate for 1977/8 is £8.5bn., just within the IMF ceiling. The picture is little changed if one prefers to look at the financial deficit instead of the borrowing requirement. Indeed, if the deficit is expressed as a proportion of the national product, it actually goes down by 1 per cent.

The impression of a neutral to slightly contractionary policy also comes out of the monetary arithmetic. Money supply growth in the year now ending is estimated at less than 9 per cent. and for the coming financial year at 9 per cent. to 13 per cent. Both figures imply a substantial fall in the real money supply—although owing to the bizarre approach to managing sterling and the DCE formula, almost anything might happen.

The picture of a contraction-pipeline—a deterioration which would be only halved by the achievement of the alternative, more optimistic forecast given in the Financial Statement. The special employment measures mentioned by Mr. Healey work—if they work—by reducing productivity. This, as a matter of arithmetic, is the only way that a limited GDP. can be made to mean more jobs. There is a case for this in some circumstances; but I would not like to be the Department of Industry official who has to reconcile these make-work

TREASURY FORECAST AND OUTCOME

Table with columns: % changes at annual rate, 2nd half 1975 to 1st half 1977, Forecast, Outcomes, 2nd half 1976 to 1st half 1978, Forecast. Rows include Consumers' expenditure, Public expenditure on goods and services, Private fixed investment, Exports of goods and services, Total final expenditure, Imports of goods and services, Statistical adjustment to factor cost basis, Gross Domestic Product, Retail Price Index.

* +2 1/2 per cent. with "stronger trade performance," first half 1977, second half 1978. Source: Financial Statements 1976-77 and 1977-78

chance between the end of 1976 and the beginning of 1978. This compares with official estimates of about 3 1/2 per cent. growth required simply to offset productivity increases and the natural expansion of the labour force. Taking these figures literally, there would be another 300,000 or 400,000 unemployed in the

MONETARY ASPECTS

Prudent if wages hold

THE CHANCELLOR'S claim that he was deliberately erring on the side of caution in his Budget proposals appears to be reflected in the Treasury arithmetic behind them. Only one optimistic assumption seems to have been fed into the Treasury computer: a further effective year of wage restraint. Caution is reflected both in the very subdued economic forecasts and in the forecast for the central financial figure, the public sector borrowing requirement. In spite of the fact that last year's PSBR is now put more than £3bn. below the April forecast and more than £2bn. below the figure offered as recently as December, the forecast for next year has been reduced by only £1bn. About a third of this reduction is due to interest payments reduced by below-forecast borrowing last year. Lower interest rates have made a further contribution, so that only about £500m. is left for "real" effects—the success of cash limits, the fact that local authorities appear to be showing unexpected self-discipline, and above all the fact that costs in the public sector have risen much more slowly than prices

and incomes in the economy at large. Many City forecasters would be prepared to allow considerably more for these influences. Hoare Govett, for example, recently forecast a borrowing requirement on unchanged policies of just over £7bn., compared with the Treasury's £7.7bn. limit on domestic credit expansion from Greenwells, which inspired an early and accurate forecast that last year's borrowing would fall below £9bn., would suggest a bigger fall. This alone suggests that the Chancellor could have cut taxes by a further £500m. or more without any real danger of exceeding the £8.7bn. PSBR laid down in the Letter of Intent to the IMF. In fact there was a further reserve available to him: the Letter of Intent put the PSBR in the context of 3 per cent. growth—twice the growth now forecast. If such growth were achieved, the rise in revenue would reduce the PSBR by a further £0.6bn. or more; and while 3 per cent. is unlikely, there are some reasons to think that the Treasury growth forecast is too cautious. There appears to be a good £4bn. of gilts sales. On present trends this should be manageable with a further substantial fall in interest rates. It is the impact of this fall, which could make the Treasury's growth forecast too pessimistic, and so help to ensure that the Government exceeds its financial targets. Falling rates should help to make the high investment forecast achievable. The wealth effects of rising security prices could sustain somewhat higher consumer spending, and falling inflation should reduce the burden of stock appreciation—£5.4bn. in 1976—on company finances. The chances of so favourable an outcome depend crucially on continuing control of labour costs, and reasonable luck with the terms of trade; and it is no doubt to provide some margin for disappointment on these scores, which could depress sterling, drive up interest rates and reduce real corporate and personal incomes, that such a cautious strategy has been adopted.

measures with the slogans about productivity in the so-called Industrial Strategy. But in any case, the Chancellor's figure of 150,000 to 200,000 jobs created by these measures this year is misleading, as many of them are a continuation of measures already in force. The whole of the so-called stimulus has been required simply to prevent what might otherwise seem an overdrastic reduction in the PSBR. The room for manoeuvre has been created partly by our old friend past estimating errors, partly by the public spending curbs, partly by the petrol and tobacco increases, but above all by "fiscal drag," that is the tendency of tax revenue to go up by more than in proportion to the rate of inflation. The last thing I am doing is arguing for a more expansionary Budget. It is extremely doubtful if the forces determining output are properly captured by conventional forecasting models; and it is even more doubtful if the forces determining employment are so captured. But even if the forecasts are right, I happen to agree with Mr. Callaghan's speech at the last Labour Party Conference about the futility of trying to spend ourselves into the higher employment levels, more so than does the Prime Minister himself. (The last remark is added because the Prime Minister is giving our western Governments the bad advice of deficit finance and money crea-

tion which he has abjured at home.) The biggest danger in demand management is that we will go through a spasm of excessive monetary (not fiscal) restriction followed by a panic expansion later. Indeed, the present Budget, the accompanying monetary policy and my own judgment on them, all read like a run-through of the 1970 Jenkins Budget which was economically justified but led to a political chain reaction culminating in the ill-fated Heath dash for growth.

So far I have been assuming that the whole of the £2.3bn. of income-tax reliefs for a full year will in fact be granted, and have not taken too seriously the proposition that the 2 per cent. reduction in the basic rate is conditional on a pay agreement. On the basis of its own economic forecasts, the Treasury will tighten itself more than it will the TUC by rescinding the fiscal relaxations. Moreover, if the Treasury believes even a quarter of the exaggerated propaganda it is putting out on behalf of the tax changes, in terms of their effects on prices and employment, it will be anxious to get on with them in any case. The TUC will not even want to be threatened with responsibility for a higher tax burden and will presumably offer some piece of paper while Mr. Healey will have every incentive in present whatever he can get as a triumphant Stage Three agreement.

Anthony Harris

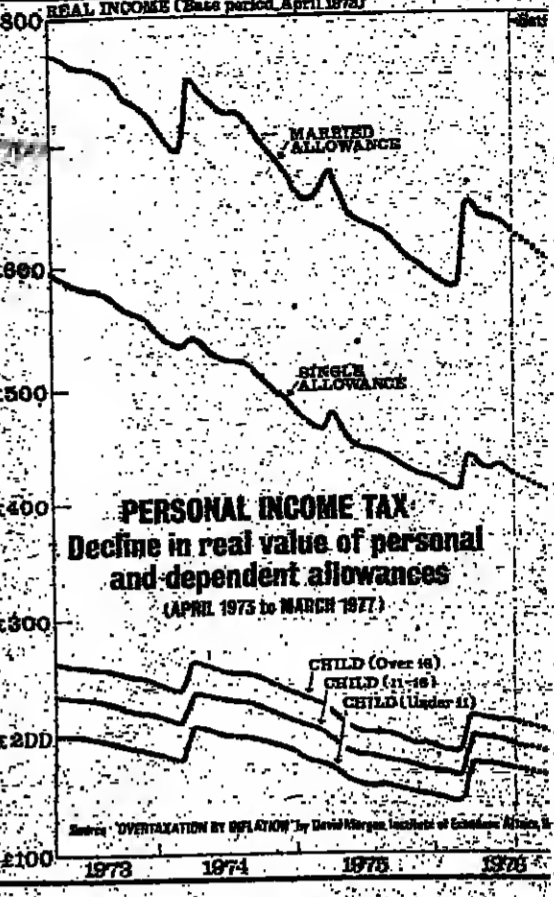
POLITICAL CONSEQUENCES

Impact on four vital groups

THE CONTINUED survival of the Government depends (if we exclude the international bankers and divine providence) upon four groups of people at the present time. Perhaps the most convenient way of assessing the political impact of Mr. Healey's Budget is to inquire whether it is likely to have a critical effect on their attitudes, and if so in what direction. First the trade unions. The single most certain cause of the Government's downfall during the course of the summer or autumn would be a spectacular failure to agree on the next phase of the incomes policy; for such a failure would not only set up serious and probably intolerable new strains within the Labour movement, but would very likely cause something like another sterling crisis demanding remedial action of a kind that the Cabinet could not agree upon a second time. On the other hand, an attempt to impose a rigid formula like last year's might well, even if it were successful, cause a different, but no less serious, sort of damage—at the level of union leadership, a drawing away from the Government; and on the shop floor and constituencies, a complete disenchantment with the political wing of the movement. The Chancellor has done his best to steer between these two rocks. He has adopted the same expedient as last year of trying to improve his band in the negotiations by making nearly £1bn. of his tax cuts contingent on a satisfactory outcome, but with

the crucial difference—that he has not spelled out what a satisfactory outcome would be. It is arguable that he has thereby reduced his extra bargaining power to such minute proportions that the manoeuvre was not worth even the limited irritation and resentment that it will presumably cause among union leaders. In practice they will probably simply assume that the money will be forthcoming and start bargaining on that assumption. The question is then whether tax reductions which the Chancellor claims are equivalent to a 9 per cent. increase on the average wage by very much over a period when the most they were offered yesterday on the inflation front was the faint hope of a reduction to single figures by the second quarter of 1978 (when the agreement would be running out). The Chancellor presumably calculates that it will buy something rather meagre, but that this can be dressed up to be reasonably satisfactory, thanks to his failure to define his own terms in public; and that the real economic dangers of a similar failure will be cushioned by the extremely cautious nature of his overall budget judgement this year. This caution will no doubt prove expensive in some political quarters but not in others. To the Liberals, now the Government's second most important life-line, it will be far from unwelcome. Mr. John Patten, the Liberal economic spokesman, can hardly go around claiming that the Budget is the first fruit of the Lib-Lab pact (though I wouldn't put it past him). But certainly there is nothing in the Budget's almost painful orthodoxy which the Liberals can take exception to; and in one respect at least—the shift from direct to indirect taxation—it chimes in with their demands. The Left of the Labour Party will not be pleased. They do not subscribe to Mrs. Thatcher's belief that those already caring the highest salaries can be assumed to be "the real wealth creators" of the country; and the raising of the thresholds for the higher band of taxation will therefore be anathema to them. The exemption of charities from the national insurance surcharge and the tax relief of the lower-paid are unlikely to modify the belief that the Labour budget which does not contribute to greater equality must be a disgrace. This will contribute to the difficulties of what already promises to be an extremely awkward party conference next October and it certainly will not encourage left-wing activists to go out and knock on doors in by-elections in the meantime. However, so far as the stability of the Parliamentary Labour Party is concerned, the Budget is unlikely to tip anyone over the edge into open rebellion. The fact is that from the Left's point of view, the pass was sold last November when the IMF terms were accepted in

preference to the "alternative strategy" of a siege economy. The present Budget is simply the logical outcome. There remains the final group—the voters. The Chancellor has really done nothing whatever to assist the Labour candidate at Stechford in tomorrow's by-election. The headlines about petrol and cigarettes in the popular papers will probably just about balance the political impact of the tax relief at the lower end of the scale. Mr. Healey's method of virtually announcing the contents of his Budget over a number of weeks beforehand has a good deal to recommend it. But it does have the drawback of reducing the favourable impact of any largesse during Budget week. The fact is that both Prime Minister and Chancellor are gambling on a 1978 election and on surviving until then by the skin of their teeth. The shape of Mr. Healey's budget must have been devised long before last week's crisis and the Lib-Lab pact, but the Chancellor is known to have no illusions about the political dangers of the next six months. What has just happened will presumably have confirmed him in a belief that (a) there will be trouble and (b) Jim can probably fix it. That being so, he is prepared to increase the chances of economic success next year even if he marginally increases the risks in the short term. All in all, it seems the best strategy open to him. David Watt



For all the fuss about automatic effects of making taxes lower at the lower end and in shifting the indirect to direct taxes, the chart shows how the real value of the allowances has risen since 1975. The allowances have risen by 10 per cent. since 1975. The allowances have risen by 10 per cent. since 1975. The allowances have risen by 10 per cent. since 1975.

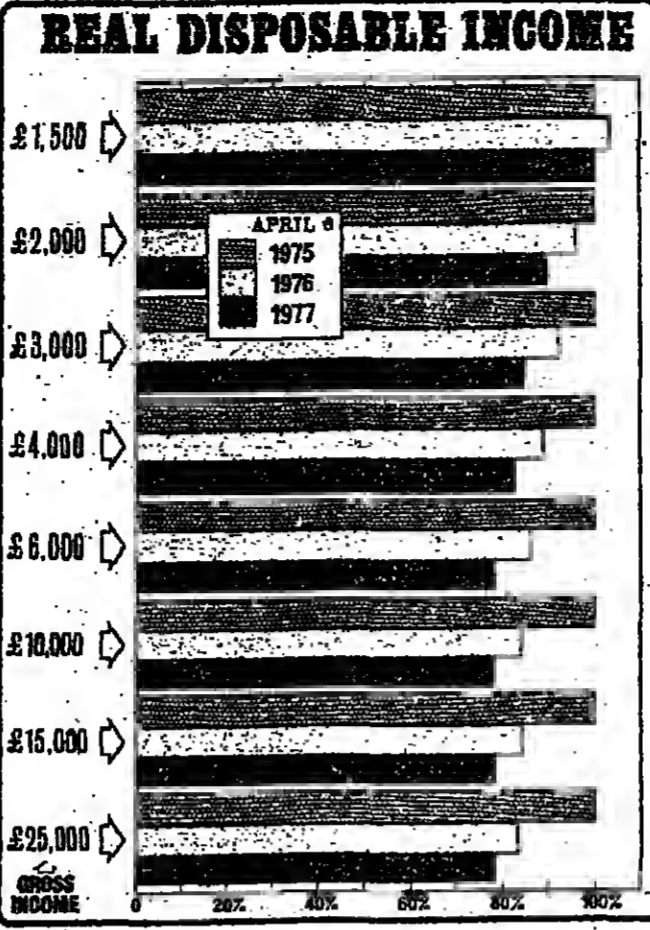
Advertisement for 'The FAMOUS GROUS' Scotch Whisky. The text reads: 'The FAMOUS GROUS'. Below the text is an image of a bottle of whisky and a glass. The bottom of the ad says 'Quality in a range of bottles'.

هكنا من الأصل

PERSONAL TAXATION

That sinking feeling remains

BUDGET promises unconditional change in the basic rate of 35 per cent to 33 per cent... The Chancellor's "Blue Book" terminology... The spendable income figures are shown in the chart...



ing of 14 per cent, and 22 per cent, compared with what it was at April 6, 1975... One aspect of the picture is that the value of the real disposable income tax can still be regarded as penal.

living. This has some validity, but at the point we have currently reached, many individuals would say that the rate of decline of real disposable cash should be slowed down... Then the nice young man spoke: "The heir of the kings of Portugal doesn't need to pretend. It isn't up to royalty to impose itself, but to hear the call of the people..."

David Wainman

MEN AND MATTERS

Friends of the heir

On the surface it was such a nice occasion. A nice young man in a nice dark suit sat in a nice gilt-framed armchair in the Winter Garden of Lisbon's Ritz Hotel... "Long live the King!" shouted the nicely-dressed ladies and gentlemen, leaping to their feet...



"He's hoping to grease our palms with cheap butter!"

thera if they weren't Royalists? "Ah," said the helpful young man. "They don't have much chance to get together socially, too conspicuous, you see." Quite.

Do unto others...

Building up portraits of men like Charles de Gaulle, Ho Chi Minh, Ian Smith and an American soldier killed in Vietnam out of different coloured pieces of wood was one of the ways in which Peter Thompson gradually re-built his own fractured personality during four years as an inmate at Broadmoor...

hospitals, including Broadmoor, and helping them re-adjust to life outside. It is called the Matthew Trust after chapter 25 of St. Matthew's Gospel "I was hungry and you gave me food... I was in prison and you came to see me."

Tatler sale?

Yet another change of ownership looks likely for England's oldest magazine. The Tatler, started in 1709. Since last July the latest in a long line of, sometimes unlikely proprietors has been a 41-year-old financier, Robert Knight, who hopes to reach agreement on a sale in the next few days.

Knight was one of the founders at the end of the sixties of First Fortune Holdings, a leasing company bought in 1974 by Commercial Credit Corporation of Baltimore, Maryland. Two years ago, First Fortune bought Slater Walker Finance Corporation, the installment credit side of the Slater group.

INCENTIVES TO EXPORTERS

Relief for those at the sharp end

Chancellor has provided branches of relief for those who work abroad... The second category, who were given a 25 per cent tax exemption under the 1974 legislation, were those individuals who were abroad for shorter periods, but who had directorships or employments, all of the duties of which had to be performed abroad...

and personal disruption and expense is suffered, by the individual whose function is shuttling between his company's U.K. base and customers overseas... Under the present tax rules a deduction is only allowed for tax purposes if the earnings are from a separate employment the duties of which are entirely abroad...

Benefits for the stars

UNDER existing rules a British film star can earn more by working for an American company in France, than he can for a British company... This all now changes. Last night both the show business and industrial world were expressing surprise at the liberality of the decision...

Arthur Sandles

David Wainman

EMPLOYMENT moves towards job creation

There is certainly an air of realism among trade union leaders that structural unemployment problems cannot be solved by instant measures, however dynamic, and the Government will not be criticised for continuing to put much of its hope in the trusted temporary employment subsidy... Under a scheme announced yesterday, small firms - those with less than 50 workers - will be eligible for grants of £20 a week for every new job created during a six months' experimental period between July 1 and December 31...

ment is successful trade union leaders will continue to press for the introduction of a subsidy scheme on a wider scale... One more radical proposal which the TUC first put to the Government when the Employment Protection Bill was being enacted and repeated again this year has once more not been taken up... The first question posed by yesterday's announcement of new job measures is whether they will be seen as sufficient to satisfy trade union leaders who are coming under increasing pressure from their members to press for stronger job creation action...

Alan Pike

If the fastest-growing economy on the American continent interests you, then it's time you discovered Venezuela.

It's time you discovered Viasa.

When it comes to business opportunities, Venezuela is a very special place indeed. As well as having the strongest and fastest growing economy in South America, Venezuela is the world's third largest oil producer... All of which must make interesting reading to anyone who is alive to such business opportunities. And this is where Viasa comes in. Like most national airlines, Viasa reflects the country. The same efficiency, drive and energy is there;

Table with flight routes: London to Caracas, Caracas to London, VA705 10.15 Mondays, VA704 17.00 Thursdays, VA707 11.15 Fridays, VA706 21.30 Saturdays.

All reservations through KLM General Sales Agents for VIASIA in UK. London 01-568 9144 Birmingham 021-843 5741 Manchester 061-834 9184 Glasgow 041-248 3677



War on tax dodgers • Foreign earning relief

continued from previous Page

derelict and neglected

Secretary of State for Scotland will bring a further statement on the subject of the oil duty changes in a full year.

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Energy supply

Now to my proposals for the taxation of energy. First, I have said it is essential that I re-adjust the balance between direct and indirect taxes as has risen under the Government's policy.

conservation must be a major objective of the industrialised world. It is a message which comes from the recent report on the World Energy Resources.

allow this to happen, we must open up new supply, and action with conservation and through realistic prices. We can claim a record in these days.

Tobacco products

Turning to tobacco duty, the Chancellor said there were compelling reasons for increasing the duty in real terms.

Budget 29 March 1977

Tolley's Tax Tables 1977-78 will be published 1 April

Tables covering all the 1977-78 of income tax, corporation tax, capital tax, capital transfer tax and VAT

leading booksellers, or direct from us by (01-686 9144) or by using this coupon

Form for ordering Tolley's Tax Tables 1977-78, including fields for name, address, and price.

My proposals for road fuel duty will produce an overall revenue increase, including VAT, of £300m. in a full year.

Road fuel is not, of course, the only oil which is subject to duty. The duty on most other oil products, for example heavy fuel oil, reached its present level of 1p a gallon as far back as 1968.

The oils affected will be all those which at present bear the 1p rate. I have made one exception only — paraffin commonly used for domestic heating.

Heavy lorries

But as I am already going a long way to meet the Government's objectives in transport and energy policy by substantial increases in the duty on petrol and diesel, I am proposing a more limited increase in VED of 10 or 25 per cent.

The tax burden on heavy lorries, in contrast to the position of the private car and the lighter lorries, fails to cover the costs which they impose on the community.

Direct taxes

Turning to direct tax, Mr. Healey said: "I am proposing no change in the rates of corporation tax; stability in company taxation is an important part of the industrial strategy."

Foreign loans

In my Budget Speech last year, I referred to the question of tax relief for the extra cost to companies of repaying foreign currency loans where sterling has fallen in value.

Capital gains

On the question of deferred tax a good deal has been said already, notably by several Secretaries of State in their end-of-year reports.

Tax and annuities

I now propose that any employee who works abroad for a total of 30 days or more in a tax year should qualify for the tax relief, whether or not the 30 days are continuous.

transitional arrangements may be appropriate, since they will depend upon the form of the permanent scheme.

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Energy conservation must remain a major objective...

the imbalance which struck the industrialised world in 1973 could be upon us again in a much more severe and intractable form.

representations very carefully and I have concluded that there is a strong case for relief in view of the special position of these organisations.

Secondly, I intend to modify, in certain respects, the rules applying to company take-overs, amalgamations and reconstructions.

I have also asked my officials to begin urgent consultations with the companies concerned about the possibility of legislating to the Finance Bill to restrict unilateral relief for certain taxes paid by oil companies to Governments of oil producing countries.

Income-tax relief

I now come to the heart of my Budget—the reduction in income tax and their relevance for pay policy. Given the size of the fiscal stimulus I consider justified and the net revenue resources from the tax changes have just described, I shall be able to make reductions in income tax amounting to some £2,250m. in a full year.

Reduced rate band

I turn now to the question of a reduced rate of tax for the initial band of taxable income. I believe I said we should afford several quarters to move in this direction.

Immediate effect

I believe that the improvement I have announced is a reasonable balance between the needs of the various groups which most require relief immediately.

relief for exchange proposals. I said last December that I believed it important to find ways of improving the tax treatment of employees living in this country and working abroad.

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Help for families

The various personal allowances reduce the burden of income tax at all levels, but give special help to the very poor by relieving them altogether of all liability to pay income tax.

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Notice of Redemption Pennwall Overseas Finance N.V. 8% Guaranteed Debentures Due 1987. Includes table of debentures with columns for serial number, amount, and interest rate.

Healey offers tax lifeline. BY PHILIP RAWSTORNE. NOT A REVIVAL Budget for Britain but a survival Budget for the Labour Government.

I remain

THE BUDGET

Details of proposed tax changes

What income tax changes mean

Married couples with two children not over 11-income all earned

of the scheme to phase... of the investment income... BANDS OF INVESTMENT INCOME... Under 65... 65 and over...

It is proposed to extend the... to 30 per cent of the retail price... Capital gains tax... It is proposed to counter...

Units of measurement in... It is proposed that the... (a) any unit of measurement... (b) the proof system...

Table with 10 columns: Income before receipt of child benefit, Family allowance and income tax charge for 1976/77, Child benefit and proposed income tax charge for 1977/78 after initial changes only, Child benefit and proposed income tax charge for 1977/78 after all changes, Increases in net income after all changes.

TAXABLE INCOME

Table with 2 columns: Percent, Basic rate. Rows: 0-40, 40-45, 45-50, 50-55, 55-60, 60-65, 65-70, 70-75, 75-80, 80-85.

VEHICLE EXCISE DUTY

It is proposed to increase... It is proposed to increase... It is proposed to increase...

NATIONAL INSURANCE SURCHARGE

By virtue of the provisions of... The National Insurance Surcharge Act 1976...

Single persons—income all earned

Table with 10 columns: Charge for 1976/77, Proposed charge for 1977/78 after initial changes only, Proposed charge for 1977/78 after all changes, Reduction in tax after all changes.

Charitable tax changes

It is proposed to defer a... charge on capital gains arising... where a company transfers an...

INLAND REVENUE

INLAND REVENUE... INCREASE IN SINGLE ALLOWANCE BY £70 AND IN MARRIED ALLOWANCE BY £140...

CUSTOMS AND EXCISE

CUSTOMS AND EXCISE... Alterations in revenue duty rates... Revenue duties...

Income up to £140 a week

Table with 10 columns: Charge for 1976/77, Proposed charge for 1977/78 after initial changes only, Proposed charge for 1977/78 after all changes, Reduction in weekly income tax after all changes.

Charities

of National Insurance... The surcharge has the effect... of increasing the employer's...

Metric units

Spirit strength replaces proof system... A resolution introduced to Parliament yesterday makes provision for the Treasury to be enabled to make Orders...

Central Government transactions

Table with 4 columns: 1976-77, 1977-78 Forecast, Budget, Estimated. Rows: CONSOLIDATED FUND, NATIONAL LOANS FUND, CENTRAL GOVERNMENT BORROWING REQUIREMENT.

Advance corporation tax

Some companies will doubtless have declared dividends since April 5 and others will have dividend vouchers at the printers...

Exchange control

After the Chancellor's speech... A resolution introduced to Parliament yesterday makes provision for the Treasury to be enabled to make Orders...

Consumer disappointed

THE National Consumer Council said the amount of direct tax cuts was roughly what it had asked for.

Value added

Amendments comply with EEC obligations... The financial statement and Budget report, published on the occasion of the Budget, announces the Chancellor of the Exchequer's intention to propose amendments to the law relating to value added tax.

Concessions may be granted later

THE INLAND REVENUE issued a statement on advance corporation tax and tax credit after the Chancellor had completed his speech.

THE BUDGET

OVERSEAS RESIDENTS

Tax changes for people who work abroad

A STATEMENT from the Inland Revenue after the Chancellor had set down said: The Chancellor of the Exchequer announced in his Budget statement this afternoon that important changes in the tax treatment of employees living in the U.K. and working abroad would be included in the Finance Bill. This note describes the Chancellor's proposals in more detail. At present a deduction is allowed in taxing the overseas earnings of an employee resident in the U.K. only if the employee is employed in a separate employment from the duties of which are wholly performed abroad. The deduction allowed is 100 per cent. if the employee is absent from the U.K. for a continuous period of 365 days or more, and 25 per cent. if he is absent for a lesser period. From 1977-78 the requirement that there should be a separate employment for overseas duties will (with one exception) cease to apply, so that a person may qualify for the deduction, whether the overseas duties are performed under a separate employment or as part of the duties of an employment which are also carried out in the U.K. An employee who works abroad for a continuous period of 365 days or more will be entitled to a deduction of 100 per cent. from his overseas earnings (so that they will be exempt from U.K. tax). An employee who works abroad for a total of 30 days or more in a tax year, whether continuously or in aggregate, will be entitled to a deduction of 25 per cent. from the earnings for the duties performed overseas. An employee with a separate employment with a foreign company, the duties of which are performed wholly abroad (for example, a director of an overseas company in a multi-national group) will be entitled to a deduction of 25 per cent. from his earnings from that employment, regardless of the length of his absence abroad. At present seafarers and aircrew employed on voyages or journeys between the United Kingdom and a foreign port or airport are regarded for tax purposes as carrying out their duties in the United Kingdom and so cannot claim a deduction from foreign earnings. From 1977-78 they will be regarded, for the purpose of entitlement to the deductions, as working abroad while they are engaged on such voyages or journeys. At present employees engaged under a separate employment, formed wholly outside the United Kingdom, are not entitled to relief in respect of expenses incurred in travelling to the overseas country and back again, or in obtaining board and lodging there. From 1977-78, they will be able to claim relief in respect of such expenses in the same way as if their employment were normally carried out in the United Kingdom. From 1977-78, where an employee is working abroad for a period of at least two months, the reimbursement by an employer of the expenses incurred by his or her spouse and children in travelling to the country where the employee is working and back again, whether in his or her company or separately, will be tax free, up to a maximum of two return journeys a year. So far as possible, the deductions will be taken into account for PAYE. When the Finance Bill has received Royal Assent employers will be authorised to give the relief with effect from the beginning of the tax year. Percentage changes: Second half 1976 to second half 1977 2 2 -9 14 -21 19 3 61 5 First half 1977 to first half 1978 -1 0 -7 -14 1 34 1 2 -14 3 9 -82 -2 7 51 14 2 11 Percentage changes at annual rate: First half 1976 to second half 1976 0 1 -14 -24 4 7 2 31 1 Second half 1976 to first half 1978 0 1 -6 -14 34 51 11 39 -1

VEHICLES EXCISE

Duty on a car up 25% to £50 -dearer cycles and tractors

THE TREASURY issued the following statement last night on vehicle excise duty. In his Budget statement the Chancellor proposed increases in the excise duty payable on mechanically propelled vehicles in Great Britain and Northern Ireland. In Great Britain duty is paid under the Vehicles (Excise) Act 1971 and in Northern Ireland under the Vehicles (Excise) Act (Northern Ireland) 1972. Rates of duty were last changed two years ago in the Finance (No. 2) Act 1975. The proposed increases are as follows: A. Rates of duty on cars, motorcycles and tricycles and agricultural tractors are to be increased by 25 per cent. The new rate of duty for a car will be £50. B. Rate of duty on buses and taxis, is to be increased to £23 for vehicles with up to 20 seats. The rate for each additional seat above 20 remains unchanged at 50p. C. Rates of duty on the various categories of goods vehicles (farmers', electrically-propelled goods vehicles) and on showmen's and general haulage tractors are to be increased progressively. The increases will be staged over three weight bands related to the unladen weight of the vehicle. There will be an increase of approximately 25 per cent. up to a limit of four tons, approximately 30 per cent. between four tons and six tons, and of approximately 35 per cent. above six tons. These are broad percentage increases related to all vehicles within the respective weight brackets; within each band there will be variations for particular vehicles from these percentages. The supplement payable for vehicles which draw trailers will be on a new scale—from £30 for vehicles up to 1 1/2 tons unladen weight to £112 for vehicles over 6 tons unladen weight. The rates of duty payable for trade licences will be increased from £20 to £25 for licences in respect of vehicles with four or more wheels and from £3.55 to £5 for licences for other vehicles. It is also proposed to increase the threshold duty for eligibility for four-monthly licences from its present level of £8 to a new level of £18. This will not affect the classes of vehicles eligible for four-monthly licences. The following tables contain specimen rates of duty proposed for the main classes of vehicle.

GREAT BRITAIN AND NORTHERN IRELAND

Table with columns: Description of vehicle, Annual Rates, Not exceeding, Present, Proposed. Rows include Motor Cars, Motor Cycles, Hackney Carriages, Agricultural Machines.

GREAT BRITAIN

Table with columns: Description of vehicle, Annual Rates, Not exceeding, Present, Proposed. Rows include Farmers' Goods, General Goods.

INCOME TAX

Arrangements for adjusting PAYE tax codes

IN A NOTICE after the Chancellor's speech, the Inland Revenue explained the arrangements for putting the income tax changes into effect through PAYE. Increases in the Single, Married, Wife's Earnings and Age Allowances. Most codes giving these allowances end in the letter H (married allowance), L (single or wife's earnings allowance), P (full single age allowance) or V (full married age allowance). Tax officers will be sending in employers' instructions to increase these codes by amounts which will give effect to the increases in the allowances. Codes ending with H or V will be increased by 14 (that is, by £140 allowances) and codes ending with L or P by 7 (that is, £70 allowances). These increased codes will generally take effect on the first pay day after May 31. A revised coding notice is not issued to the taxpayer when his code is increased automatically by employer in this way. Special codes Some people have special PAYE codes, for example, codes beginning with F or ending in T, which will have to be reviewed individually by the tax officer. In many cases no adjustment will be necessary (for example, codes relating to a second job where the increased allowance due has already been given in the code for the other job). Where an increase is due the tax officer will revise the code and send notification of the new coding to both the employer and the employee. These revised codes will generally take effect on the first pay day after May 31. Additional Personal Allowances This is the allowance given to certain people (including widows, widowers, divorced or separated persons) having single-handed responsibility for children. Tax officers will revise codes which include this allowance individually as described above and the increased codes will take effect at the same time. Higher Rate Tax changes To give effect to the increase in the length of the basic rate band and the adjustments to the higher rate bands, a new Table C will be printed and distributed to all employers. This will take the place of the Table C contained in the existing tables. Table C is the table used (together with Table D) to arrive at the tax to be deducted each week or month when part of that tax is at higher rates. The new tax table will generally be brought into use on the first pay day after May 17. It is not intended that employers should have to refer to the new separate Table C permanently. The tax tables (Tables B to D) will be reprinted later in the year as a single booklet again. Tax officers will also revise codes beginning with the letter D to give effect to the higher rate changes. These codes are generally used where a taxpayer liable at higher rates has more than one employment and the whole of his basic rate band is exhausted at his first employment. They call for tax to be deducted at a specific higher rate (DO=40 per cent., DI=45 per cent., etc.). Tax officers will send notifications of all new codes to both the employer and the employee and they will generally take effect on the first pay day after May 31. Basic Rate of Income Tax The Chancellor announced when he proposed to reduce the basic rate of income tax from 35 per cent. to 33 per cent. when a satisfactory agreement on a new pay policy had been reached. Tax officers will be taking no for 1976-77.

CHILD ALLOWANCES

Introducing tax-free benefits

THE Inland Revenue issued a notice last night on the effects of reducing child tax allowances and introducing tax-free child benefits. The proposed reductions in child allowances for 1977-78 (£104 for first children and £130 for subsequent children) will be dealt with in the forthcoming Finance Bill together with other consequential tax legislation for 1977-78 (including exemption of child benefit from tax and claw-back, and special arrangements for widows and others in receipt of taxable social security benefits, for certain children living abroad, and for certain students who were over 19 or on an advanced course at the end of 1976). The relevant reductions in child tax allowances have been taken into account in the PAYE code for 1977-78 already issued. The PAYE code takes immediate effect from the first pay day in the fiscal year beginning April 6. For the great majority of families (namely for taxpayers paying tax at the basic rate whose child or children are entitled to child benefit) the effect will be that the father's pay packet will go down by 50p a week (regardless of the number of children), while mothers can claim £1 tax-free child benefit for their first child from April 4. The gain in net family income will thus be 30p per week. The other changes in personal allowances announced by the Chancellor in his Budget include an increase of £140 in the married allowance, £70 in the single allowance and £70 in the additional personal allowance, as well as changes in higher rate tax. The combined effect of these changes will be that after allowing for the reduction in the child allowances, all families will gain in net income.

TOBACCO, Increased revenue

AFTER the Chancellor's speech, the Customs and Excise put out a statement on tobacco duty. It said: In his Budget, the Chancellor announced increases in the rates of tobacco products, duty on cigarettes and handrolling tobacco. The effect of these increases, which will come into force on April 4, 1977, will be to raise the total tax burden (inclusive of VAT) on a packet of 20 cigarettes, irrespective of size, or 1 ounce of handrolling tobacco, by 4p. The increase on cigarettes will be by way of a flat rate of duty applied to all cigarettes, whether filter tipped or plain and without regard to size. It is estimated that the revenue yield from the increased taxation of cigarettes and handrolling tobacco (including the additional yield of VAT) will be £150m. in a full year. The Budget also confirms the surcharge imposed in the measures the Chancellor introduced on December 15, 1976: (a) the 10 per cent. surcharge on the Customs and Excise duties on tobacco came into effect on December 16, 1976, will be replaced with effect from March 30, 1977, by an increase of £0.585 per lb in the substantive rates of these duties so as broadly to maintain their existing surcharge-inclusive rates; (b) the 10 per cent. increase in the rates of tobacco products duty which came into effect on January 1, 1977, will be confirmed with effect from March 30, 1977, by an increase of 10p per lb in the rates of duty on cigars and pipe tobacco, but there will be no further increase in the rates of duty on cigarettes and handrolling tobacco. The Chancellor also referred in his Budget to the final stage in the restructuring of tobacco taxation which was introduced in the Finance Act 1976. With effect from January 1, 1977, the Customs and Excise revenue duties on tobacco will be abolished, and the rates of excise duty on tobacco products will be raised correspondingly. The duty on cigarettes will be 30 per cent. of the retail price plus £9.00 per 1,000 cigarettes. Duties on other tobacco products will be based on the weight of the products. Customs and Excise Notice No. 554 sets out the changes in duty rates following the Budget and the new duty rates applicable from January 1, 1977.

Forecasts of Expenditure, Imports and Gross Domestic Product

Table with columns: Public expenditure on goods and services, Private investment, Total, etc. Rows show data for 1974, 1975, 1976, 1977, and 1978 forecasts.

* All figures are based on "compromise" estimates of gross domestic product. Discrepancies between compromise estimates have been added to stockbuilding. Note: Figures in £m. are rounded to £50m. Percentage changes are unrounded levels in m. and then rounded to 1 per cent. The GDP index in the final column is calculated from 1955=100.

REACTIONS

Tax cut incentive 'insufficient for middle management'

THE CONFEDERATION of British Industry, the London Chamber of Commerce and other business organisations predictably reacted to the Budget statement yesterday with some disappointment that more extensive income tax cuts had not been made, particularly for the higher paid. But there was little doubt that most felt that the Chancellor had gone along the lines they had been leading for in concentrating primarily on personal tax incentives and avoiding too strong an element in reduction. Even without reduction in higher rate tax bands, there was a feeling that the conditional elements of the package (the raising of bands and greater allowances) benefited middle management and the higher paid relatively more than others. The CBI - many of whose concepts had been accepted by the Treasury - called the Budget a step in the right direction which would "give some encouragement to managers who have been among the hardest hit in the last few years. But it suggested that the higher rates of tax unless they are brought down there will remain a strong disincentive for managers and owners of firms to take additional responsibility and expand their businesses. The cost of such tax reductions is negligible and the benefits to the country as a whole enormous." It further expressed its "main disappointment... that the Chancellor has chosen to increase indirect taxes rather than cut back further on Government expenditure, indirect taxes will put up prices and add to industry's costs. They will make the negotiation of a further period of pay restraint which is essential for bringing down inflation, even more difficult," it concluded.

Higher paid

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Worthless

Other organisations, particularly those representing executives, were harsher. Mr. Jan Hildreth, director-general of the Institute of Directors, said: "I am pleased to see that the Chancellor has promised to reduce middle management, while welcome, is so small as to be worthless as an incentive, and much of its value depends on a deal with the unions which represent a minority of the working population." The Association of British Chambers of Commerce said the Chancellor had "erred on the side of caution... in the event he has not even done enough to turn his unwarranted promise of a further period of pay restraint which is essential for bringing down inflation, even more difficult," it concluded.

'A step'

But both the British Institute of Management and the London Chamber of Commerce cautiously greeted the Budget as a "step in the right direction," although expressing the view that it should have gone farther. To a surprising degree, small and large companies have supported the idea of a further period of tight wage restraint, in spite of the pressure that the phase III agreement is already coming under. Less directly, a number of business leaders have also been anxious for a reduction in tax in order to boost productivity during the upturn-through a restoration in incentives. Contrary to the normal trends at this phase of the business cycle, productivity appears to have hardly risen at all over the last six months to a year and companies seem to blame this largely on the incentive issue. On other questions, there was undoubtedly some disappointment yesterday that action had not been taken to give tax relief to companies on their foreign exchange losses. After a year of dramatic decline in sterling values, international and some U.K. companies (encouraged by the Government) which have borrowed heavily abroad have found themselves with substantial losses on repayment.

Economic prospect mid-1978

Table with columns: Output and expenditure at constant prices, Per cent. changes, first half 1977 to first half 1978, etc. Rows include Gross domestic product, Consumers' expenditure, etc.

Tobacco trade critic of new blow to sale

THERE WERE predictably reminded, more strong reactions against the little boy's "Big Boy" - the motorist, the little more organisations, and the cigarette road food, manufacturers, but the Retail Consortium said the "package" said it regretted would have a "generally neutral effect" on retail trade. Mr. Harry Tople, national vice-president of the Federation of British Retail Tobaccoists, said: "It is also regrettable that the increase in VAT on cigarettes, which has been covered since last December, will increase our sales by a total of 23 pence on 20 cigarettes, tax and the price since 1974. Tobaccoists' ability to maintain their standard of living against 1974 is further damaged because our costs will rise as this heavy duty increases puts cigarettes into the luxury class for insurance. The cost of delivery is bound to go up. Increased costs and a drop in sales may result in a loss of jobs in the trade and, at worst, more pharmacists closing down. Approximately 4,000 a year had some out of business since 1973. Imperial Tobacco described the increase as "most unfair." Carreras Rothman said: "It is very much as expected. Unpleasant though it is, it is not a tremendous shock." ASH, Action on Smoking and Health, welcomed the increased tax on cigarettes. Professor Charles Fletcher, ASH chairman, said: "We are delighted that the Chancellor has yet again shown that he is the country's best health educator."

Incentive still so

THE Engines Association said companies had "invested and rewar in the Budget. "Where are incentives for rewards for cellor has said aware of the and the need in plant and does nothing to and to retain a it asked: "If something up, clearing help, performance to industry or another mtrage

Food prices

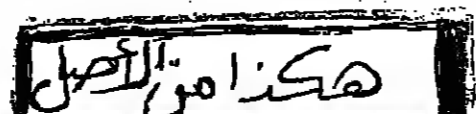
The Retail Consortium warned last night that the increase in petrol and dairy tax and the raising of the heavy lorry tax would lead to higher distribution costs and put further pressure on food prices. Retailers were relieved that there was no increase in VAT, though they were disappointed that the Chancellor had not taken the opportunity to introduce a single rate of VAT. The consortium predicted that the budget would have a generally neutral effect on the retail trade. The Automobile Association said the higher price of petrol and the rise in the road tax would increase the annual cost of running an average family car by £27.40 to £1,130 a year. The association said: "This is obviously extremely bad news for the motorist, who has been hit harder than most by inflation in recent years."

Petrol pumps

The Motor Agents Association said that some petrol pumps would have to change to half-price displays, because the intricate pump machinery could not cope with the speed at which the delivery and pricing dials had to operate. Attendants would then have to double the price shown. According to the Royal Automobile Club the increased petrol costs for all classes of cars - its world-wide covering 10,000 miles a year - would be £12.50 to £1,130 a year. Up to 900 cc - £15.10; 900 to 1,100 cc - £18.20; 1,101 to 1,300 cc - £19.10; 1,301 to 1,600 cc - £23.50; 1,601 to 2,000 cc - £26.40; 2,001 to 2,500 cc - £31.50; 2,501 to 3,000 cc - £36.00; 3,001 to 3,500 cc - £41.00; 3,501 to 4,000 cc - £46.00; 4,001 to 4,500 cc - £51.00; 4,501 to 5,000 cc - £56.00. The British Cycling Bureau from 1974-1975

Fram i Glamo

FRAM INDUSTRY - its world-wide range of products and its industrial structure and its separation from the South Wales, Cardiff, area. The company's development and expansion from 1974-1975



THE BUDGET

THE MOTOR INDUSTRY AND FUEL TAXES

Day of the £1 gallon draws nearer

DAY of the £1 a gallon rate for domestic heating kero-

are a large number of competing petrol stations, companies

price rise. As of today the rate of duty will almost match the actual

and selling price of petrol in other EEC countries is still

Motor companies undismayed

COULD be a faint hope that the motor industry will

other things, will take car tax above six tons.

The motor industry's low key response to the Chancellor's

Operators have argued vigorously that goods vehicles

Need to review marketing strategies

as ensuring that the cigarette market will be a short-term

concentrated in the king-size sector but affecting the smaller

though cigars seem to be slightly better off as their im-

varieties. At the same time there was an increase in sales

Extension of a successful system

ION OF the cash limits authority capital expenditure and the borrowing

planned levels. One may argue that public expenditure is too

Only in a few instances have Ministers been permitted to

September 1975, after experience had been gained of oper-

SMALL SAVERS

Some small concessions

Healey assumed the mantle in 1974, threshold for the over 65s

investment income of £1,500 or more and £75 for the over 65s

Clearly, the new system could be developed further still—such

Colin Jones

COMPANY TAXATION

Help for smaller companies

A FIRM commitment to retain the existing system of stock

preferential rate. It will rise and consultation on a perma-

ment scheme—the implications are important for industry,

Heavy lorries

IT WAS clear from the Chancellor's speech that operators of

pected compromise with the EEC on maximum lorry

THE CHANCELLOR has not been able to give relief on

announced that since he must concentrate on income tax relief

purpose of lending in the ordinary course of business is

TOBACCO

The second side-effect was that in the scramble to retain

Terry Dodsworth

Ian Hargreaves

CONSTRUCTION

Only a little relief

THE CONSTRUCTION industry was unimpressed with the

The National Federation of Building Trades Employers

Industrial sites and the reclamation of derelict inner

EXCHANGE CONTROL

Closing a loophole

AN ADDITION to the Government's armoury of defence

catch the raising of cash by means which are not technically

companies. However, just as such borrowing is, in practice,

EDUCATION

Drive for specialist teachers

THE GOVERNMENT hopes to train up to 1,500 extra people

seemed to be distracted from last year, do not seem to be re-

the shortage of specialist teachers was 18 per cent worse

The gain is a modest £50 for the under 65s with taxable

Cedric Sandford

go ahead was taken in

Colin Jones

Michael Dixon

TRANSPORT DEVELOPMENT GROUP IN 1976

- Profit for the year before tax £14.76 million compared with £12.12 million in 1975.
- Net capital expenditure totalled £15 million.
- Road haulage companies busier and more profitable than in the previous year. Replacement programme activated to ensure fleets maintain a sensible balance between old and new.
- Warehousing companies bore the brunt of the recession; distribution services continued to grow in importance.
- Exceptional weather produced problems for cold store operators particularly those engaged in fruit and vegetable processing, but results satisfactory.
- Acquisition of H. Cox & Sons (Plant Hire) Limited widened and enlarged existing interests in plant hire.
- Fall in demand for steel reinforcement but Square Grip expanded sales operations overseas.
- Great improvement in results of Dutch subsidiaries. German holding company formed and acquired transport and storage undertaking at Würzburg.
- Profits of Australian companies increased. Two Australian transport concerns acquired.
- So far profits for 1977 are ahead of those for the previous year.

Full report and accounts available from the Secretary, Transport Development Group Ltd., Kingsgate House, 66-74 Victoria St., London SW1E 6SR

	1973	1974	1975	1976
Sup. income £'000	98,516	119,344	129,354	160,547
Profit before tax £'000	12,236	13,556	12,122	14,760
Assets £'000	63,932	68,764	78,209	90,068
Profit to income %	12.68	11.36	9.37	9.19
Profit to assets %	24.21	24.54	19.95	21.06
Net capital £'000	32,032	32,032	32,032	35,052
Dividend (adj.) %	8.77	8.72	10.38	11.41

LAGAGE • STORAGE • REINFORCEMENT • EXHIBITIONS

Stone Platt expenditure outlook for 1977

SUBSTANTIAL increases in capital expenditure are planned at Stone-Platt Industries but Mr. F. G. Hawkins, chairman, warns that this must remain dependent on the company's continuing ability to generate adequate profits and cash.

The accounts for 1976 show future capital expenditure of £2.45m. (£2.85m.) of which £1.27m. (£1.2m.) has been committed.

A statement of source and application of funds shows that cash balances increased by £3.9m. (£5.0m.) and loans increased by £2.7m. (£3.7m.) cash and short-term investments increased from £3.47m. to £15.64m. and debentures and other loans from £19.77m. to £24.41m.

In his annual statement Mr. Hawkins confirms his earlier report that demand is still erratic and the level of activity in many plants is still well below the optimum. Further progress is planned in 1977 but this will depend on continuing improvement in the level of world trade.

The company foresees continuing growth in the years ahead for each of its main products.

In their report, the auditors, Price Waterhouse and Co., say that the consolidated accounts of two American subsidiaries prepared on the basis of the "last in first out" method of accounting for inventories which is a requirement for obtaining the taxation advantages available to companies adopting that method in the U.S. The last in first out method of valuation is an accounting method not generally accepted under the U.K. standard of standard accounting practice number 9. The effects on the profit for the period and retained reserves are not given as to do so may prejudice the tax position in the U.S., they add.

comment

The feature of Stone-Platt's accounts is a 15 per cent. (7.5m.) drop in net working capital during a year in which sales rose by 22 per cent. This much improved ratio, which apparently is sustainable, works straight through to the group's cash balances, since spending on fixed assets and acquisitions have been more or less covered by net-cash flow. The result is that net short term borrowings of £3.9m. have been replaced by net cash of £2.2m., and net debt has fallen from the equivalent of 23 to 16 per cent. of shareholders' funds. So there should be no problems about financing the group's plans for further expansion.

Statement Page 29

WEIR GROUP

A new company, Weir Alloys Foundries, has been formed by the foundation of the Weir Group to specialise in the design and marketing of ground engaging tools and equipment, particularly the products of Escp Corporation of Portland, Oregon, which are manufactured under

licence by Weir Group foundries and used internationally by the construction and mining industries.

The Weir Group's specialist manufacturer of hydraulic and pneumatic sealing systems and oilfield rubber-consumables will in future be known as Weir Polypac.

The continental sealing system companies, Polypac SPA of Livorno, Italy, and Polypac SA of Saint Priest, France, will continue to trade under their existing names.

Solicitors' Law down to £1.22m.

A LOSS in Belgium adversely affected the taxable profit of Solicitors' Law Statutory Society which was £110,764 lower at £1,222,657 in 1976. Sales were 18.5 per cent. higher at £17m. At half-time profit was down from £728,812 to £701,156.

Stated earnings per 20p share were 2.52p (3.72p) and a net final dividend of 2.5201p lifts the total to a maximum permitted 3.8001p (3.48241p).

Profits in the U.K. was steady but in Belgium there was a depressed economy, with rigidly controlled prices while many overheads were substantially increased by indexation. As a result efforts to open up this new market are taking longer to reach profitability than estimated but the directors say they remain convinced that the move into the European market through Belgium is essential to maintain future growth prospects and are confident that the investment will pay dividends in due course.

The directors state that they do not consider it wise policy to discontinue deferred tax provisions and the provision in 1976 was increased. However account has been taken of relief which will be available in future in respect of overseas losses.

£832,000 record at Bulgin

AFTER being ahead at halfway from £270,000 to £282,000, precision electronic and electrical component manufacturer A. F. Bulgin and Company achieved record profits for the year to January 31, 1977 at £832,675 against £565,327.

Stated earnings per 50p share were 2.02p compared with 1.88p and the dividend is lifted to 1.188p (1.08p) the maximum permitted, with a final of 0.713p net.

After tax £427,857 (£288,611) net profit emerged at £404,708 (£276,918).

Exchem. setback

Explosives manufacturer Exchem Holdings reports a reduction in pre-tax profit for the year ended September 30, 1976, from £887,515 to £367,711. Tax took £187,302 compared with £231,400 and after an extraordinary credit of £62,340 (nil) and minorities of £48,578 (£82,553), profit attributable fell from £283,553 to £194,711.

The ordinary dividend was unchanged at 1.84p per share, and the dividend on deferred shares was also unchanged at 0.707738p. Retained profit was £161,227 against £290,609.

Mr. J. Chateau, the chairman, reports that turnover was ahead by 17 per cent. at £13.56m., but interest charges on bank loans, overdrafts and other short-term loans jumped almost £30,000 to £300,755.

Working capital increased by £228,247 compared with an increase of £738,279.

Exports amounted to £682,775. Meeting, Curstons Street, E.C., April 22 at 11 a.m.

comment

This is the first time in 10 years that Solicitors' Law has not increased its profits. But the signs were evident at the interim stage when profits were down by 3.7 per cent. The second half did even worse, with a 15 per cent. profit fall on a 7.7 per cent. fall in turn-

Woolworth sees further increase this year

IN HIS annual statement, Mr. Stephen Owen, chairman of F. W. Woolworth and Co., says the company is budgeting for another increase in profits in the current year to January 1978. He says that an increase is budgeted for despite the national forecast of reduced consumer spending in real terms, but it depends on a "reasonably satisfactory economic situation within the country."

The company made an increased pre-tax profit of £68.97m. in the year ended January 1, 1977, compared with £36.25m. (as reported on March 10). The dividend was maintained at 2.85p from earnings of 3.2p against 4.5p.

The capital expenditure programme for the coming year will amount to £17m., says the chairman, and a further £12m. working capital will be required to meet increased sales. However, after allowing for tax payments and dividends, and given a reasonable advance in profits, it is expected that additional net borrowings will amount to approximately £3m. "We have ample facilities to meet all our borrowing requirements for the foreseeable future," says Mr. Owen.

The chairman also states that the greater part of the major re-organisation of Woolworth's high street stores will have been accomplished by the end of 1977. "The changes have of course been made during a period of considerable economic difficulty, combined with social change," he says. "It would be unrealistic to expect the full benefit to be obtained in such conditions with the pressure that exists at present on disposable incomes."

In a summary of changes made in Woolworth's merchandising policy during the period of reorganisation, Mr. Owen says that trading in groceries and allied products has ceased in 418 stores. Unwrapped ranges of confectionery, cakes and biscuits have been eliminated from all stores. Crockery and glassware have been discontinued in 820 stores, and cigaretttes in 420. Costume jewellery, fashion accessories and handkerchiefs have been removed from 343 stores. The chairman adds that the rationalisation and upgrading of the merchandise range continues.

Net borrowing increased by £6.4m. in line with the intention last year that additional borrowing would amount to less than £10m. Of the £6.4m., £2.6m. related to an increase during the year of the sterling amount required to repay the second of the Sw.Frc.50m. loan on February 15, 1977. The group now has no overseas borrowings, except for comparatively small sums in currencies where it also has trading assets.

Exports during the year amounted to £3.88m., chiefly for sale in Woolworth stores abroad. Sales outside the U.K. amounted to £26.64m.

BOARD MEETINGS

The following companies have notified dates of Board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

YO-DAY

Interim: Bridport Gandy, Burns-Alderson, Davney Day, Newman-Tanks, Victor Products (Wallend).

Finals: British Army Trust, Bidis Holdings, British Aluminium, Equity and Law Life Assurance, Gramplan Holdings, House of Fraser, Thomas Jordan, Robert Kitchen Taylor, Local and General Assurance, Peachey Property, Pearl Assurance, Prudential Assurance, RKT Computers, Rough Industrial Group, Sarsco, Sarsco, Tillymore Computing, Tube Investments, Zenith Cablecasters.

FUTURE DATES

Company	Date
Boulton (William)	Apr. 3
Finals:	
Berwick Timp	Apr. 4
Bredon & Coed Hill Lime Works	Apr. 4
Clarke, Nickolls & Coombs	Apr. 4
Desautel Bros.	Mar. 31
General Assurance	Apr. 4
Greenhill Group	Apr. 4
Guest Keen and Nettlefolds	Apr. 6
Healey	Apr. 14
House of Lorraine	Apr. 3
Reveries	Apr. 16
Stainer (A. G.)	Apr. 13
Wade Pottery	Apr. 17
Yorkshire Fine Woollen Spinners	Apr. 8

Amended.

£0.22m. leap by A.B. Electronic

FOR THE half year to December 31, 1976, A. B. Electronic Components reports pre-tax profit more than doubled from £18,913 to £380,915. Sales were up £2.17m. at £7.84m. with the U.K. export content better by 24 per cent., and the directors say the order position is greatly improved.

There remains considerable scope for improvement, much of which will have to be derived from increased sales abroad, and arrangements have been put in hand to achieve this objective, the directors state.

Reorganisation of the newly acquired Kenure Developments is proceeding but this company is not yet profitable. Subject to present day uncertainties, group results for the current year are expected to show a good improvement. Liquidity is satisfactory, and a maximum permitted total dividend is forecast, they add.

Stated earnings per 25p share were higher at 6.1p (3.2p) and the net interim dividend is raised to 1.3p (1.05p). Last year payments totalling 4.3157p were paid from profit of £570,521.

The meeting will be held at Connaught Rooms, Great Queen Street, W.C., on April 22 at 11.45 a.m.

Statement Page 28

Scottish Metro. tops £0.5m.

FIRST half pre-tax profit of the Scottish Metropolitan Property Company rose from £441,736 to £507,515 and the directors are confident that the outcome for the year ending August 15, 1977 will exceed the previous period's £918,781.

Profit for the first six months includes exceptional items of £6,602 compared with a debit of £4,760.

The net interim dividend is raised from 0.5p to 0.9p absorbing £244,118 (£216,904)—the directors say this is proportionately slightly in excess of the maximum annual scale permitted and, if no change is made, the increase in the final will be appropriately adjusted. The total for last year was 1.74p.

The net revenue from properties at halfway increased to £1.25m. from £1.19m. and investment income and interest received increased to £227,496 from £32,778. Interest charges and manage-

	1976	1975
Sales	7,542,000	5,689,000
Investment	233,704	234,800
Interest	51,723	66,870
Pre-tax profit	309,515	169,315
U.K.	177,000	63,500
Overseas	132,500	10,800
Net profit	255,316	163,515

MEETING DELAY FOR C. H. JOHNSON

The Board meeting of C. H. Johnson and Sons scheduled for March 28, 1977, has been postponed due to audit delays.

"Inveresk has sustained all its operations and added new activities."

Results were a slow but steady improvement in demand during 1976 for products, both manufactured and distributed, compared with the very low levels for most of the preceding year. The economies of U.S.A., Canada and West Germany did not recover to a significant extent and a major factor, combined with the continuing high inflation in U.K., the severe further decline in the exchange value of sterling, retarded progress in domestic markets. However, in spite of continuing pressures on margins, there was an encouraging improvement in profitability in most operations, particularly during the last quarter of year.

Mr. T. S. Cernigan, Chairman and Managing Director

Link has a national network of warehouses and holds one of the largest stocks of printing papers, both mill brands and its own brands.

Future Prospects

Despite the severe economic recession, intense competition and high inflation, the Group has sustained all its operations and added new activities. The improved trend in the level of activity shown during the last quarter of 1976 has continued during the first two months of 1977. As there is little evidence of excess inventories in the hands of customers, the present levels of demand for most of the Group's products would appear broadly to reflect current usage. The Group is well placed to take full advantage of further increases in demand in its U.K. and overseas markets.

The Fifty-fourth Annual General Meeting of Inveresk Group Limited will be held at Connaught Rooms, Great Queen Street, London WC2 on 22nd April, 1977, at 12 noon.

Copies of the Report and Accounts for 1976 may be obtained from the Secretary at Clar House, 19 Tudor Street, London EC4Y 0BA.

RESULTS FOR YEAR TO 31st DECEMBER	1976 £000	1975 £000
External Sales	51,711	34,627
Profit before tax	1,557	1,265
Profit after tax	1,167	900
Preference Dividends	105	105
Ordinary Dividend	618	573
Increase in retained profit	438	222
Earnings per Ord. Stock Unit		
Net basis	7.7p	6.0p
Nil basis	10.1p	8.4p

Inveresk Group

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The introduction of the "JLW COMPUTON" Service enables prospective tenants to be supplied with an entire spectrum of suitable industrial premises at the touch of a button.

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MINING NEWS

Anglo comments on its £1.17bn. merger

By KENNETH MARSTON, MINING EDITOR

PRODUCING the formal documents for the Anglo American takeover of Rand Afrikaans is a task which Mr. Harry Oppenheimer, in Johannesburg yesterday, said was a vast amount of new work going on and we need to remember that when there was so much work as at present, it would not be drawn on other than the R125m. East Rand Gold and Platinum project, reports our Johannesburg correspondent, but does not dispel the thought that Anglo may become involved in other of the big North Cape mineral finds. Meanwhile the merger will create a company with net assets in excess of £1.17bn.

Its terms

Mr. Oppenheimer confirmed that the Rand Afrikaans rights issue will be made on terms of 25 new shares for every 100 shares held by Anglo American. It will be underwritten by Anglo American, but the issue would be made regardless of the proposals, in order to fund Selection's debts and to provide for future expansion. An interesting new point is that the combined company will hold a 41 per cent. interest in Charter House. Mr. Oppenheimer said that Anglo American had some interests in which we had not been involved directly, but said there was no intention to acquire over 50 per cent. of any company. The UK-registered Charter House, we believe, can be used in areas where Anglo American is a very good ally. He did not hedge any thoughts of Charter House and the US-based Minerals and Metals Corporation. There is a "great fiscal and exchange difficulties even wanted to do it," he said.

Deers stake

disclosed that after the and the Rand Selection issue the state held by De Beers will jump to 10 per cent. It could be higher on any further shares. De Beers may acquire as a of its underwriting the same time, of course, it will be moving a part necessarily substantial out of the diamond. Other changes include diamond holdings in Anglo

Copper prices are too low

WHILE the copper market remains overcoloured by the huge accumulation of surplus stocks, put as high as 2m. tonnes by some observers, Mr. G. A. Macmillan, chairman of the Rio Tinto-Zinc group's Palabora mine in South Africa, is not prepared to forecast this year's course of the metal price.

But he believes that there must come a time when demand exceeds supply. When this happens and assuming a continued desire to hold the metal as an investment, there could be a dramatic increase in the copper price. Basically it will be a case of the price having to catch up with the rising cost of existing production and that of new mines; many new projects are now being developed.

Mr. Macmillan says that the mine's R85m. expansion is now virtually complete. It will raise annual copper production by about 30,000 tonnes to 125,000 tonnes. Assuming production costs of about R825 (£352) per tonne of refined copper for this notably low cost operation, Palabora would require a copper price of R185, or £131, per tonne in order to achieve an after-tax return of 15 per cent. on its investment.

Such a metal price is equivalent to 102 U.S. cents per pound which is very close to other estimates of prices needed to bring a new mine into production, he adds. At the moment copper is under 70 cents in the New York market and closed at 65.5 in the London Metal Exchange yesterday.

ROUND-UP

South Africa's Siffontein says that its study has revealed that it could become attractive for the company to resume uranium production, treating surface material and current slimes.

Platinum demand lacks impetus

PROFITS AT the major South African platinum producer, Rustenburg, may be less in the second half of the current financial year than in the first. The chairman, Sir Albert Robinson, fears that this may be the result of the continuing increase in costs, unless there is an improvement in metal prices.

Mr. Robinson states that sales in February were richer than in preceding months, but he adds: "It is not yet possible to determine whether this improvement in demand, which resulted from a moderate increase in the level of purchases by industrial customers, will be sustained."

The warning accompanies the declaration of an unchanged interim dividend of 2.5 cents (1.87p). Total payments for 1976 were 20 cents.

Net profits for the half-year to the end of February were R18.6m. (£11.45m.) compared with R18.7m. in the same half of the previous year, but high capital expenditure of R12.5m. kept the tax charge down to R1m. against R4.5m. in the 1975-76 first half.

Sales profits went down to R7.7m. from R8.8m., because of a rise in Ford Motor in the U.S. and lower jewellery demand. A more sanguine view of the prospects is taken by Mr. E. Pavitt, the chairman of Anglo American Platinum, a Johannesburg mining finance house which holds 48.8 per cent. of Rustenburg's rival, Impala Platinum. He has noticed since the end of 1976 encouraging signs of improved demand for platinum group metals in the U.S., Europe and Japan.

This has resulted in a welcome turning in the price of most of these metals. All the indications are that there should be a continuing improvement in demand during the rest of 1977. Mr. Pavitt states in the Unilever annual report:

But Mr. Pavitt shares Sir Albert's concern about cents. Gold represents 35 per cent. of Unilever's net assets and Mr. Pavitt fears that if inflation in South Africa runs faster than in other developed countries, "the gold mining industry will become steadily less profitable and less competitive. Until further, inherently self-defeating, devaluations become inevitable."

Reduction of the South African inflation rate is also necessary to restore the confidence of overseas investors. "South Africa has enormous mineral potential whose exploitation requires comparable amounts of capital investment. There is still a great need for overseas money," Mr. Pavitt says. Rustenburg were 92p and Unilever 215p yesterday.

MINING BRIEFS

Company	1976	1975
Platinum	18,499	13,426
Zinc	54,290	45,274
Copper	1,382	1,245
Lead concentrate produced	12,448	10,218
Copper concentrate produced	114	1,120

J.P. Fairbairn

Extracts from the Statement by the Chairman, Sir Robert Fairbairn on the Clydesdale Bank Report & Accounts for the year to 31st December 1976



The 139th Annual General Meeting of the Shareholders of Clydesdale Bank Limited takes place today, Wednesday 30th March 1977 at the Head Office, St. Vincent Place, Glasgow. The following are extracts from the circulated Statement by Sir Robert Fairbairn JP the Chairman.

CHAIRMAN'S STATEMENT The Year's Results

I have pleasure in presenting the accompanying Accounts for the year to 31st December 1976. The profit, before taxation, amounts to £10,809,000 which is some £2,055,000 or 23% higher than the figure for the previous year. Once again, overheads rose substantially. Including increases in National Insurance Contributions, local rates, postage, and end telephones.

A considerable part of the increase in profits arises from the use of a greater volume of funds from Depositors, a higher level of Advances, and the larger income derived, particularly during the second half of the year, from increased interest rates. We also had increased income from our overseas business.

As a result of the continuation of the adverse economic climate, additional provision for Bad and Doubtful Debts were required, although at a slightly lower level than in 1975. Additional sums had also to be provided to meet our share of estimated losses in the Support Group for Secondary Banks.

An Interim Dividend of 8.5% was paid on 3rd August 1976 and the Board now recommend a Final Dividend of 11.36% making a total of 19.86% for the year, an increase of 10% over that paid in 1975. The balance of retained profit transferred to reserves amounted to £3,504,000. Deposits at 31st December last totalled £713 million compared with £635 million at 31st December 1975, while Advances to customers totalled £501 million, an increase of £92 million on the previous year.

Premises

Work on the extension to Head Office is continuing satisfactorily although the scale of the project means that the new building will not be ready for occupation until 1978. The existing premises will be refurbished and will provide us with an efficient and modern layout yet in keeping with the traditional appearance of the building.

We recognise that the scale of this work must disrupt our service to customers and cause discomfort to the Staff. We are sure, however, that the office when completed will be attractive to our customers and provide vastly improved working conditions for our Staff.

Operating Environment

After a brief period when the rate of inflation fell, we have seen it resume a disturbing up-

ward trend due in part to the underlying rise in wholesale prices. Failure to reduce inflation to manageable levels has undoubtedly been a contributory factor in delaying economic recovery but it becomes increasingly clear that industrialists have lost the will to venture into new fields and wider markets without some assurance that their efforts will be rewarded.

Taxation has reached the point where it is a very real disincentive and until it is reduced and some incentive restored, both to the individual and to the company, we will not see the enterprise and initiative which is so necessary if we are to secure the expansion in production which is so greatly needed.

Scotland

Despite the fact that in general our economic performance did not maintain its position relative to the country as a whole, certain industries enjoyed favourable conditions. Agriculture was one of these industries and in almost all sectors the past twelve months have proved successful.

In most oil and oil-related industries steady activity was maintained, with the exception of rig and platform construction companies who have been forced to reduce their workforce because of the lack of further orders. This is a pressing problem and it will have repercussions on the many ancillary companies which have emerged unless they too are able to diversify sufficiently to keep going. Orders for more platforms are expected and indeed some orders for steel platforms have recently been placed, but there is capacity in the West for concrete structures and it would be welcome news if orders were placed with some or indeed all of these yards.

Nationalisation

In addition to problems arising from economic considerations, there are a number of political influences to which we have to give consideration. Perhaps nationalisation is not an immediate threat and one could not say that it is as yet affecting our business. But we must not forget that whilst it is not yet Government policy, and hopefully will not be so, it was nevertheless adopted by the Labour Party last September at their Annual Conference. The Scottish Banks were not mentioned, directly but they would, by virtue of the Clearing Banks' shareholdings, become involved so we cannot avoid the issue.

The principal criticism of the Banks is that they have not lent enough to industry to enable companies to re-equip and expand. We in the Banks know, of course, that this is not so. The Banks are ready to meet the borrowing requirements of industry. It is the lack of demand that is the problem and this can be attributed to lack of initiative and enterprise brought

about in part by high interest rates and the lack of return on capital. Inflation is the major cause of these troubles and it must be brought down to levels at least no greater than our major competitor countries.

The Government is trying to do this and if we are to move forward as an industrial nation success must be achieved in this field. Nationalisation of the Banks would make no difference to this problem. It could not but be damaging to the Banks if their funds were directed for political reasons to investment and nationalisation could not be other than damaging to our business both at home and abroad.

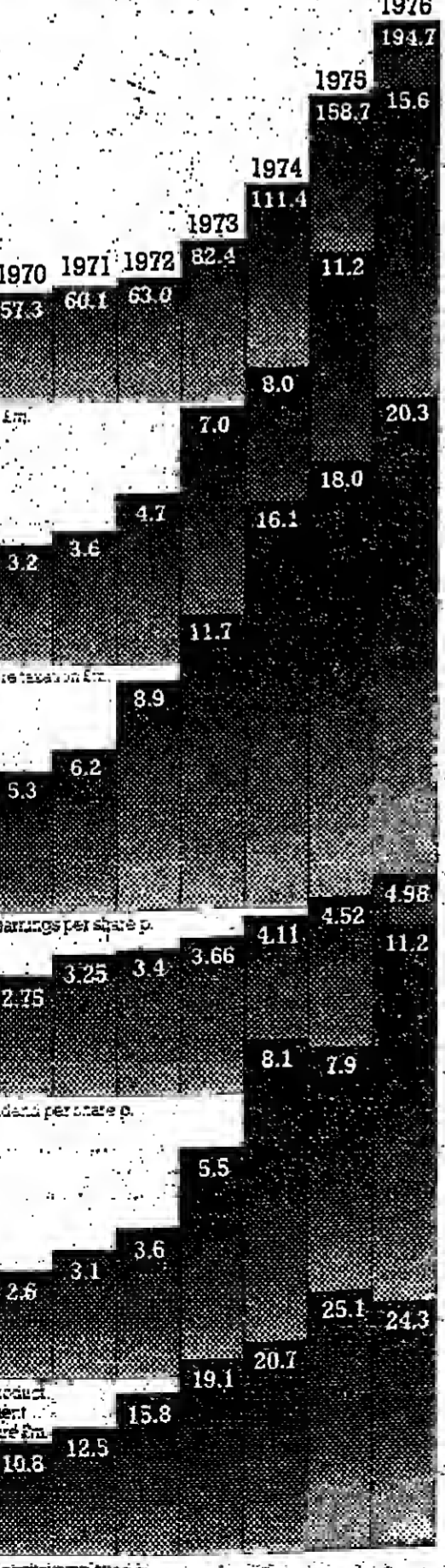
Employee Participation

The Bullock Report on employee participation has been issued and has received a great deal of criticism. I am sure that most people would agree that more can be achieved if management bring their employees into discussions on the plans for the conduct and expansion of their business. Indeed this is being done on an ever increasing scale and the cooperation and understanding which should result must be beneficial to both employer and employee, and so indeed for the ultimate good of the country. But to suggest that representation of shareholders and employees should be on an equal basis with a smaller number of outside Directors is surely going much too far. Continental practice has been referred to but conditions there are not exactly comparable and we must proceed very slowly indeed and learn from experience. Otherwise we will be introducing a potentially disruptive element into our affairs at a time when we are in great need of a united approach to our production problems.

Devolution

An additional problem for us in Scotland in particular is, of course, devolution. The present proposals appear to have foundered but the problem still remains. The discovery of oil off our coasts, coupled with the troubles of the nation as a whole, has induced a number of people to think in terms of separation as providing a solution to our problems. We are a capable race and it may be argued that there are immediate advantages but we would do well to reflect on the fact that we have been an integral part of the United Kingdom for over two and a half centuries and we have benefited greatly from that arrangement. Most people want to see Scotland have a greater say in its affairs. Opinion polls and debates in Parliament show this to be the case, but surely this can be achieved administratively without too heavy a burden of extra government and the expense it involves. Hopefully the foundering of the Bill will give us time to find a better solution.

EIGHT YEARS OF TONE-PLATT GROWTH



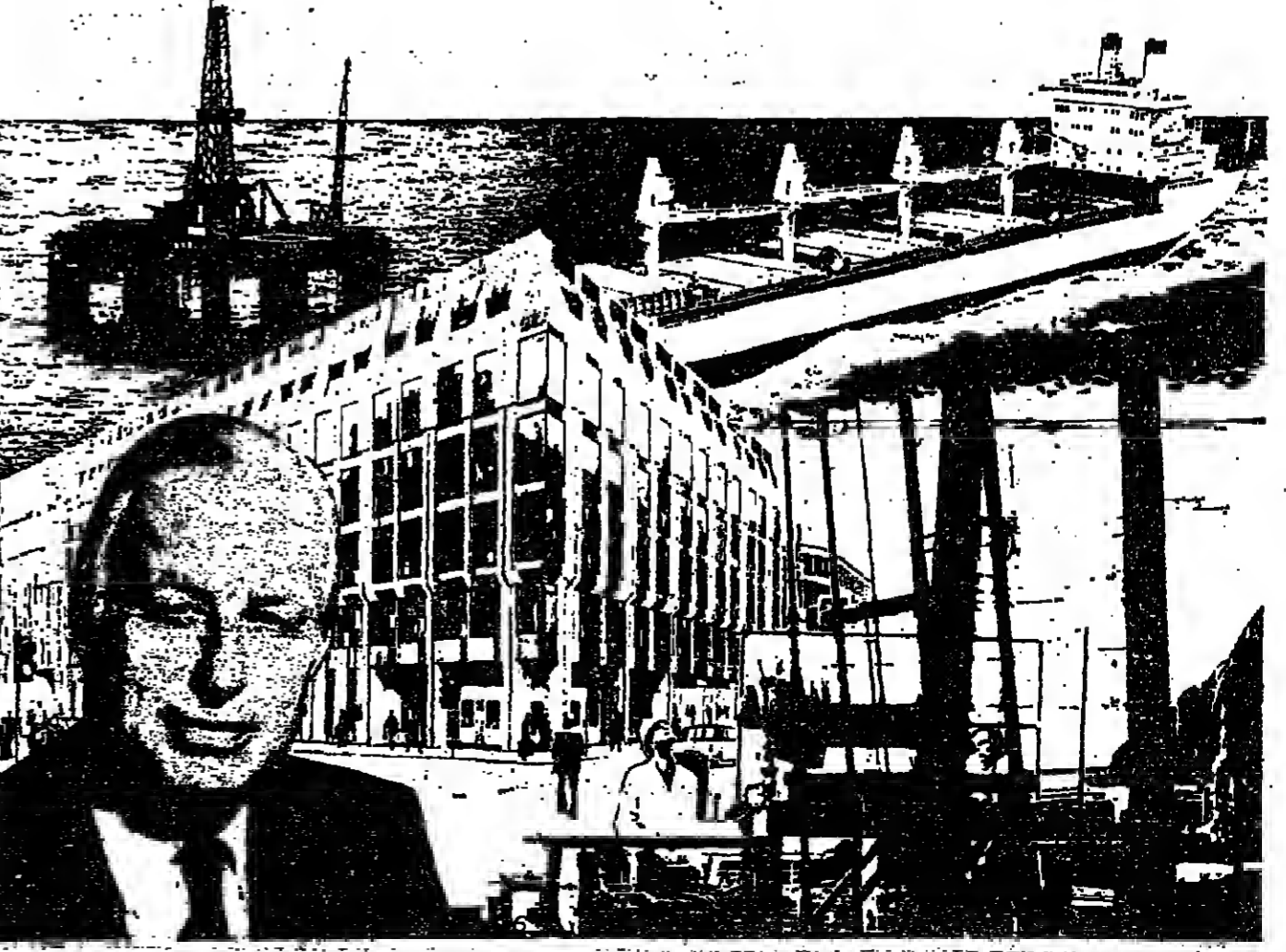
Stone-Platt Industries is an international engineering company with world-wide sales of £195m and employing 13,500 people. The company aims to be a world leader in each of its main products - spinning and texturing machinery, marine propellers, train lighting and air conditioning, specialised pumps.

- From the 1976 Report.**
- Profit before tax was 39% higher than in 1975.
 - Sales were up by 23%.
 - Total sales outside UK were £159m, representing 82% of total.
 - Exports from the UK were up 36% to £91m representing 72% of UK output.
 - Safety Electrical Corporation acquired in the USA for \$6.6m.
 - Each of the main product lines are now manufactured in North America.

For a copy of our 1976 Accounts and an illustrated brochure write to: The Secretary, Stone-Platt Industries Ltd, 25 St James's Street, London, SW1A 1HH.

	1976	1975
Net Sales £m.	194.7	158.7
Profit before taxation £m.	15.6	11.2
After-tax earnings per share p.	20.3	18.0
Gross dividend per share p.	4.98	4.52
Capital/Product development expenditure £m.	11.2	7.9
Return on Capital Employed %	24.3	25.1

Stone-Platt Industries



INTERNATIONAL FINANCIAL AND COMPANY NEWS

PLM goes for improved margins in consolidation

BY WILLIAM DULLFORCE

MALMO, March 29.

PLM, the Swedish metal can packaging and waste treatment concern which has become the European leader in resource recovery systems over the past three years will go through a consolidation period this year with the emphasis on improved profitability. The effort put into waste treatment and resource recovery is not expected to yield its full return before the next decade. Spelling out the group's financial policy in the final report for 1976, Mr. Ulf Laurin, the managing director, sets a target for return on total capital employed before tax of 12.5 per cent. (1976 performance: 8.6 per cent.). This would correspond to a return on equity after tax of 13 per cent. (11 per cent.) allowing for a 53 per cent. tax rate and an average interest rate of 6 per cent. (4.7 per cent.) on borrowings. Mr. Laurin estimates that shareholders could then be paid a dividend of 5 per cent. (4.6 per cent.) at the same time as the share capital could be raised by 8 per cent. (6.4 per cent.). An 8 per cent. annual growth in shareholders' equity would suffice for a sales increase of 10 per cent. (8.3 per cent.), provided that the rate of capital turnover could be speeded up by 2 per cent. It would also enable the group equity/debt ratio to be maintained at 30 per cent. (27 per cent.). Last year PLM improved earnings from Kr.48.5m. to Kr.68.8m. (194m. to 194m. on sales of Kr.1,570m. (1,255m.)), giving adjusted net earnings of Kr.15 a share against Kr.10 the year before. The forecast for this year is pre-tax profits of at least Kr.80m. and an increase in turnover to just over Kr.2bn. This would still be well below the Kr.16m. achieved in 1974 when sales were only Kr.1.4bn. The improvement in 1976 earnings stems largely from the group's metal can operations (particularly in Denmark) where operating income rose from Kr.17.1m. to Kr.34.3m. The Euro-glass division with factories in West Germany and Holland also showed a growth in profits and the final report notes that PLM's ability to compete in the Common Market has been confirmed. The metal can and glass manufacturing plants within the EEC in fact contributed Kr.550m. of the group turnover and achieved a return on capital of over 13 per cent., considerably higher than the group averaged. Investments in plant, machinery and inventories declined by Kr.36m. to Kr.111m. last year and are budgeted at Kr.125m. this year. Group liquidity improved in Kr.193m. mainly through an increase in the short-term debt. At the year end liquidity exceeded the target of 3 per cent. of turnover indicated in Mr. Laurin's final programme. The Board proposes to raise the shareholders' dividend by Kr.0.50 to Kr.6 a share.

Higher than expected loss at LKAB

By John Walker

STOCKHOLM, March 29.

THE LKAB State-owned iron ore mining concern in northern Sweden records a higher loss for 1976 than anticipated. The forecast last June was for the loss to be about Kr.105m. The preliminary report for 1976 puts the loss at Kr.245m. It is expected that 1977 will also be a difficult year with a continued pressure on prices, possibly going down by between 5 to 15 per cent. During 1976 LKAB's deliveries amounted to 22.1m. tons compared with 20.7m. tons in the previous year. The value of sales in 1976 for the parent company rose by Kr.201m. to a total of Kr.2bn. The company claims that 25 per cent. of the value of sales were accounted for by transport charges. Iron ore production dropped from 23.5m. tons to 24.6m. tons while stocks increased by 3.1m. tons to 12.6m. tons during the year. The loss before taxes for 1976 amounted to Kr.245m. compared with a pre-tax profit in 1975 of Kr.37m. Competition in 1977 is going to be harder the concern points out, especially with strong competition from new iron ore producers such as Australia, Brazil and West Africa.

Preussag expects to maintain its dividend

BY ADRIAN DICKS

BONN, March 29.

PREUSSAG, the West German engineering, metals and chemicals group, expects to be able to maintain a dividend of DM7 per DM100 share for 1976. Announcing results for the last quarter of last year, and preliminary whole-year figures, the Board reported to shareholders that although profits figures for 1976 appeared somewhat better than those for the previous year, this was in part the consequence of special factors, including final disposal of the group's troubled aluminium fabrication subsidiary, Leichtmetall. In spite of the sale of Leichtmetall, which in 1976 had contributed DM408m. to Preussag's group turnover, the company reported to-day that total turnover

rose from DM2,044m. to DM3,056m., a process in which all division as a whole raised turnover from DM673m. in 1975 to DM940.7m. Writing of the period up to the end of 1976, the Board states that lead prices had increased 9.5 per cent from the previous quarter, while demand had been stabilised at a "satisfactory" level. Zinc went through a period of weak demand with prices down 14.9 per cent. Among the other metals processed by Preussag, Copper, Silver and Cadmium all dropped appreciably in price from the previous quarter. Production of domestic ores reached the previous year's area from DM412m. to DM441m. levels, with a corresponding increase in turnover of fabricating operations thanks to improve-

Woods gro Burma financial moves

By James Ford

SYDNEY, Woods Bros. has begun to clear the arrangements for the development of natural gas at Australia's North West Shelf. Woods Bros. has a 50 per cent. interest in the North West Shelf. The other partners are Shell and Esso. The company has a 50 per cent. stake in the North West Shelf. The company has a 50 per cent. stake in the North West Shelf. The company has a 50 per cent. stake in the North West Shelf.

Slavenburg's to raise dividends

BY MICHAEL VAN OS

AMSTERDAM, March 29

SLAVENBURG'S Bank said in its annual report out to-day that it proposes to raise the 1976 dividend by Fls.2 to Fls.19 per share of Fls.100 after net profits had risen by 12.6 per cent. to Fls.26.1m. Shareholders may instead take Fls.8 in cash and Fls.5 in shares from the tax-free premium reserve. In its report, the Rotterdam-based bank, in which the First National Bank of Chicago has a minority interest, refrains from publishing a financial forecast for the current year, in view of the many uncertainties in Holland and elsewhere. The bank describes its profit development in the past year as satisfactory. The balance sheet at the end of 1976 of which the Euro-deposit activities accounted for 14 per cent.—which represented an increase of 18.2 per cent. on the level of the year before. Slavenburg's total revenue increased by 15.2 per cent. to Fls.181.9m. of which interest income accounted for Fls.102.3m. (Fls.94.1m.) and commission income Fls.79.7m. (Fls.63.8m.). Total costs were up to Fls.118.3m. (Fls.99m.). The addition to the provision for general operating risks was raised to Fls.22m. (Fls.21m.), and the tax allocation was Fls.17.5m. (Fls.14.8m.).

The balance sheet entries "debtors" and "creditors" each rose by 21.6 per cent. in the past year, to total Fls.3.9m. and Fls.5.3m., respectively. Slavenburg's commented that whereas in past years the emphasis had been placed more on expanding the number of outlets, much attention was paid in 1976 to enlarging existing offices and to integrating them further into the group. On the subject of Dutch government initiatives to establish a State Postbank, the bank noted that this seemed less likely in view of the increasing number of new forces in the financial services sector.

AMERICAN COMPANIES

Sohio information claim

CLEVELAND, March 29. STANDARD of Ohio (Sohio) said it had "conscientiously supplied California with all the information Sohio thought would be needed by the State to evaluate air quality permit applications for the proposed Long Beach to Texas pipeline project," reports AP-DJ.

OLINKRAFT INC. said in its annual report that it plans to spend more than \$100m. on capital projects in 1977, up 50 per cent from 1976's capital outlay of \$73.2m. AP-DJ reports that the \$110m. the company budgeted for 1977 is "subject to certain volume, timing and bidding restrictions imposed by the Securities and Exchange Commission."

Sleigh reports \$A4.7m. for first half

BY OUR OWN CORRESPONDENT

SYDNEY, March 29.

H. C. SLEIGH, the Australian woodchips and coal group, continued its profit recovery with a 27 per cent. lift in earnings, from \$A3.68m. to \$A4.67m. in the December half year. The directors have decided to pay an interim dividend of 2.75 cents a share. Last year an interim of 1.5 cents was paid in March but was followed by an additional interim of 2 cents in November to make up for the fact that the payout was mitted

in the previous year. A final dividend of 2 cents was also paid last year making a total distribution of 5.5 cents. The directors attributed the improvement to further benefits from petroleum price rises and adjustments to the group's market pattern. Trading activities other than petroleum also did better. The earnings performance is even better than indicated because last year's results included a non-recurring abnormal dividend of \$A2.6m. from Flinders Shipping, in which Sleigh has a 50 per cent. interest. Flinders sold its "containership and quit trading in Australian coastal waters. Referring to the Warkworth coal venture, in which Sleigh has a stake, directors said preliminary talks were held with Japanese steel mills with whom the venture hopes to sign contracts, with production expected to start towards the end of 1979 or early in 1980.

Price cuts at Amdahl Corpn.

AMDAHL CORPORATION, which makes a computer processor that is a direct substitute for one of International Business Machines Corporation's largest models, has reduced the processors price by about 25 per cent. reports AP-DJ from California. The young company, which had its first full year of revenue in 1976, also announced two new processors, one larger and one smaller than its single previous model. The announcements followed introduction last Friday of a new top of the line processor by IBM and 30 per cent. reductions in sales prices for the older IBM machines with which Amdahl's products compete. An Amdahl official said on Friday that IBM's price cuts for the System 370, Models 158 and 169 computer processors appeared to be aimed at Amdahl. He added that Amdahl intended to announce this week "new price structures, which will make us quite competitive," but did not mention any new products.

Burroughs discounts strike

MR. RAY W. MACDONALD, chairman of Burroughs Corporation, said the strike by 1,800 United Auto Workers at three of its plants earlier this month will have a minimal impact on first quarter revenues and profits, reports Reuters from Detroit. Mr. MacDonald told a Press conference after the annual meeting that the company should be able to make up the revenue lost as a result of the strike over the year. The company earlier projected 1977 earnings between \$5.30 and \$5.50 per share, and for 1976, it earned \$185.9m. or \$4.62 per share on revenues \$1.9bn.

Olinkraft \$110m. plans

OLINKRAFT INC. said in its annual report that it plans to spend more than \$100m. on capital projects in 1977, up 50 per cent from 1976's capital outlay of \$73.2m. AP-DJ reports that the \$110m. the company budgeted for 1977 is "subject to certain volume, timing and bidding restrictions imposed by the Securities and Exchange Commission."

Marui forecasts profit rise again this year

MARUI, a major department store, reported that net profit for the year until January 31 rose 30.2 per cent. to ¥5,301m. from ¥4,070m. a year earlier, AP-DJ reports from Tokyo. Sales in the year rose to ¥169,036m. from ¥148,923m. The increases in net profit and sales in the year came from brisk sales of clothing and reduction of company expenditures, the company said. The company issued a \$30m. convertible debenture in Europe during the year and also made a 10m. share public offering in Japan to cut its interest burden. The company forecast its net profit for the 1977 year ending next January 31 at ¥5,600m. with sales at ¥189m.

Thrift plan at ARCO

LOS ANGELES, March 28. ATLANTIC RICHFIELD (ARCO) announced its intention to purchase periodically up to 1m. shares of the company's common stock, reports UNS from Los Angeles. The stock will be held as Treasury shares, and be used for purchase by the company's thrift and savings plans, for contribution to the company employees stock ownership plan, to provide

A truly Middle East bank for international business

Most international banks are involved in the Middle East these days. So what makes us different? Simply that we are wholly Middle Eastern in concept but international in outlook. Union Bank of the Middle East has been formed solely by Middle East interests, and has a management and staff with wide experience of international banking in the area. And although we are new, we are big and able to offer services on the appropriate scale. Based in Dubai - fast-growing commercial centre of a fast-growing area - we offer all regular retail banking services to individuals, corporations and government departments in the Gulf. Internationally, we provide all the services you would expect from a bank of stature, in particular: Foreign trade finance: We have the ability to finance the import/export requirements of the area; we issue bid and performance bonds and make advance payment guarantees. Foreign exchange: We deal in all major world currencies (and incidentally our geographical/time-zone location between European and Far East markets is often an advantage). Project finance: We undertake financial feasibility studies for development projects and through the diversified interests of our influential shareholders and contacts throughout Arabia we are well-positioned to arrange the necessary funding. Joint ventures: We operate special advisory services related to joint ventures between Middle Eastern and foreign partners and assist with company registration and municipal guarantees. In today's financial world, few can afford to ignore the Middle East. We believe few can help there better than us.

UNION BANK OF THE MIDDLE EAST LIMITED. Logo and text in Arabic and English. Authorised capital UAE Dirhams 500 million (US\$128 million) - UAE Dirhams 150 million (US\$38.4 million) fully paid.

EUROBONDS

EMI issue priced at par

By Mary Campbell. THE DOLLAR sectors of the Eurobond secondary market remained quiet yesterday with prices if anything slightly down in the U.S. dollar sector, though steady, or a fraction firmer, in Canadian dollars. The EMI issue was priced at par and allocations are expected to be cut back substantially despite last week's increase in the size of the issue from \$30m. to \$50m. The coupon is 9 1/2 per cent, as indicated. The National Bank of Hungary is raising \$30m. in four years redeeming at a floating rate deposit notes. Reuters reports from Hong Kong. The interest rate is said to be the six months LIBOR and the issue price 9 1/2 per cent. Redemption may occur, the report says, at the end of any six months period at progressively increasing premiums on the issue price during the first two years to par after four years. American Express Middle East Development Co. is quoted as a manager.

Table with 3 columns: Bond Trade Index, Yesterday, Monday. Rows: Medium term, Long term, Convertible.

The Wobaco Group 1976 Highlights. Large graphic advertisement with a table of financial data.

Table with 3 columns: 1974, 1975, 1977 (US\$000). Rows: Loans, Deposits, Total Assets, Net Profits, Share Capital, Total Capital Funds.

MEMBER COMPANIES: Wobaco Holding Company S.A. - Luxembourg, World Banking Corporation Limited - Nassau, World Banking & Trust Corporation (Cayman) Limited - Grand Cayman, Wobaco Trust Limited - Nassau, Wobaco Trust (Jersey) Limited - Jersey, Channel Island, Wobaco Investments Limited - London.

Shareholder Banks: Bank of America, Toronto Dominion Bank, Banco de Santander, Banque Paribas, Banque Nationale de Paris, The Dai-ichi Kangyo Bank Ltd., Eyni Lamschot Bankiers.

Arab Wings advertisement. Text: Rome and Pisa, Italy to Dubai, Dhahran and Amman in the Mideast with a final return to Paris—all in ten days' time. Unbelievable? Perhaps... but possible on Arab Wings. Arab Wings, the Middle East's largest jet charter service, recently completed that flight plan to suit an international engineering consultant's tight schedule. To reserve your Arab Wings Learjet aircraft telex 1608 ALIA JO or contact of ALIA, The Royal Jordanian Airline. arab win THE MIDDLE EAST'S BUSINESS JET CHARTER

Handwritten note: JPK 1/1/77

INTERNATIONAL FINANCIAL AND COMPANY NEWS

BASF growth heavily ed by export demand

WEST GERMAN chemical group's remarkable recovery in 1976... BASF AG showed an even greater improvement rising by 16.7 per cent on 1975's DM3.39bn.

TDK sees growth slowdown this year

AFTER a period of what the company describes as "extraordinary growth" last year, TDK Electronics of Japan is expecting only a slight improvement in sales and profits in the first half of this year.

GROUPE BRUXELLES LAMBERT

Towards a better balance

BY DAVID BUCHAN IN BRUSSELS

BARON LAMBERT has been re-shuffling his cards. The Belgian financial and banking empire that carries his name is to be re-organised... Towards a better balance.

Capital spending to help AECI

ANNUAL report of AECI, manufacturers explosives, pig and plastics, and is the biggest industrial concern in South Africa... Capital spending to help AECI.

City and Urban Properties exceeds earnings forecast

CITY AND URBAN properties report in the report Mr. Hutchison announced a net profit of \$HK36.6m for 1976... City and Urban Properties exceeds earnings forecast.

City and Urban Properties exceeds earnings forecast

CITY AND URBAN properties report in the report Mr. Hutchison announced a net profit of \$HK36.6m for 1976... City and Urban Properties exceeds earnings forecast.

Snia Viscosa breaks even in 1976

MILAN, March 28. SNIA VISCOSA, the chemicals and fibre manufacturer, reports a 1976 break-even against 1975 net loss of L4.83bn... Snia Viscosa breaks even in 1976.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for bond types (STRAIGHTS, MARK BONDS, CONVERTIBLES), issuer names, and prices.

Table with columns for bond types (STRAIGHTS, MARK BONDS, CONVERTIBLES), issuer names, and prices.

DM 25,000,000 5 1/2 Year Floating Rate Loan to Finance Exports from AEG-TELEFUNKEN... ELEKTROPRIVREDA BiH... JUGOBANKA... DOW BANKING CORPORATION CHASE MANHATTAN LIMITED

PETROLEOS MEXICANOS U.S. \$350,000,000 MEDIUM TERM LOAN... CHASE MANHATTAN LIMITED, CITICORP INTERNATIONAL GROUP, WESTDEUTSCHE LANDESBANK GIROZENTRALE

\$80,000,000 The Broken Hill Proprietary Company Limited Guarantor of U.S.-dollar term loan to BHP Finance Limited, Canberra, A.C.T., Australia... Financing managed by: MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Vertical text on the left margin: The Broken Hill Proprietary Company Limited

WALL STREET + OVERSEAS MARKETS FOREIGN EXCHANGE

Early small bargain hunting: up 3.49 Pound firm

BY OUR WALL STREET CORRESPONDENT

SMALL BARGAIN hunting was in progress on Wall Street today, pushing prices broadly higher...

United Technologies were up \$1 at \$183 on its offer to buy all the shares of Babcock and Wilcox at \$42 each...

NEW YORK, March 28. Atlantic also gained 6 to 240 in Banks. MILAN—Mixed in slightly more active dealings.

Starting very firm through-out trading in the foreign exchange market, the pound advanced to 3.49...

Gold Bullion—The Kruggerand's premium over its gold content was 2.13 per cent...



FOREIGN EXC

MONDAY'S ACTIVE STOCKS

Table with columns: Stock Name, Change, Price. Includes American Motors, Exxon, General Motors, etc.

OTHER MARKETS

Canada also rallies. Canadian Stock Markets also rallied in light trading yesterday morning.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and terms (3 months, 6 months, 1 year).

EXCHANGE CROSS-RATES

Table showing cross-rates for major currencies like USD, GBP, JPY, etc.

FORWARD PA

Table showing forward rates for various currencies.

Indices

NEW YORK -DOW JONES

Table showing Dow Jones index performance for various sectors like Industrial, HomeBldg, etc.

N.Y.S.E. ALL COMMON

Table showing NYSE All Common index performance.

MONTEAL

Table showing Montreal stock market performance.

TOKYO

Table showing Tokyo stock market performance.

OSLO

Table showing Oslo stock market performance.

STANDARDS AND POORS

Table showing Standard & Poor's index performance.

JOHANNESBURG

Table showing Johannesburg stock market performance.

AMSTERDAM

Table showing Amsterdam stock market performance.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market performance.

PARIS

Table showing Paris stock market performance.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various overseas stocks and their prices.

CANADA

Table listing Canadian stocks and their prices.

AMSTERDAM

Table listing Amsterdam stocks and their prices.

BRUSSELS/LUXEMBOURG

Table listing Brussels/Luxembourg stocks and their prices.

PARIS

Table listing Paris stocks and their prices.

FARMING AND RAW MATERIALS
Silkin defends farm policy stand

BY PETER BULLEN

JOHN SILKIN, the Minister for Agriculture, vigorously defended Britain's virtual veto on the EEC's 1977/78 farm price increases yesterday. In his return to London from Brussels he said he was not surprised to see Britain's house-...
towards parity with EEC prices before the end of the transitional period this year. ...
At about 2.30 a.m. yesterday it looked as if the Council of Ministers might have reached agreement somewhere near these lines, said Mr. Silkkin. But the meeting broke up hours later with Britain sticking to its position as the Commission's proposals would have meant U.K. housewives having to face higher food prices. ...
He had been prepared to have resumed the Council meeting later yesterday after a day or two, but the general feeling in view of the political difficulties in several EEC countries was for postponement until the next scheduled meeting on April 25 and 26.

labelling provisions and the halving of the planned levy on isotriose or maize syrup. ...
But U.K. willingness to deviate from the green pound had revealed no concession from the EEC on pig meat compensatory payment calculations. ...
Mr. Silkkin said under the Commission's proposals he was being asked to penalise the British housewives and "this was simply not on". ...
He had been prepared to have resumed the Council meeting later yesterday after a day or two, but the general feeling in view of the political difficulties in several EEC countries was for postponement until the next scheduled meeting on April 25 and 26.

Union president said: "This makes me very angry and I am sure my anger will be reflected by all farmers. We have once again walked through the night on behalf of ministers talk without agreement." ...
"All hopes for expansion becomes moonshine while prostration and delay hits consumers as well as farmers." ...
It is absolutely scandalous that the gap between the Irish and the British 'green pounds' already a running sore for beef producers, should have been aggravated by a further devaluation in the Irish 'green pound' which will raise their subsidy on beef exports to us from 9.6p to about 13p a pound. ...
In a situation like this the beef market has already failed to recover from last January's dismay and disappointment among British beef producers. ...
Pig producers too were still awaiting the outcome of the negotiations over the pig meat MCA. In view of the weakness of the market it was imperative that the special pig subsidy payments should not only continue but be increased. ...
The delay on fixing a milk price and the lingering uncertainty over the terms of the new milk price also in accordance with the Government's emphasis on expansion of home production, Sir Henry said.

New shakeout in commodity markets

OUR COMMODITIES STAFF
WAS another big shakeout in metal and commodity markets yesterday as the London market came under renewed pressure, especially from actors seeking to get out of the market before the upsurge or to avoid heavy purchases made at levels. ...
Lead and tin were also steadied at the lower levels by increased trade buying interest, but the market was under much more selling pressure as speculators desperately seeking to cut their losses. ...
Tin was depressed by another fall in the Penang market overnight where the Straits tin price declined \$42 to \$241,500 a picul. But the main reason for the London price came from one dealer, previously associated with large speculative purchases, who sold heavily. ...
There was similar selling pressure in lead and in both markets the decline was accelerated as stop-loss sales were triggered off on the way down. ...
Additional nervousness was created by the continued decline in gold, which brought a further fall in silver values. ...
The biggest fall among the soft commodities was in coffee and cocoa markets. May coffee ended the day \$160 lower at \$3,923.5 a tonne, after falling from \$3,820 at one stage. May cocoa closed at \$2,263.5 a tonne, down \$173.

was good trade buying at the lower levels which helped to steady the market. ...
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The fall in coffee prices was generally attributed to the overnight permissible limit fall in New York, though some dealers suggested U.K. Government proposals for permanent price controls contributed to the market's nervousness. Others thought the decline could be a reaction to a short-term shakeout in U.S. trading deposits which may have prompted selling in New York. ...
The most popular explanation for the weakness of the New York market, however, was the distinctly hesitant mood of the retail trade following recent sharp wholesale price increases by General Foods and Folger Coffee. ...
New York opened lower again yesterday but fell a little. An afternoon rally in London took place before New York opened and was generally seen as a reaction against the dramatic fall before lunch. ...
On the cocoa market, dealers could offer no specific reasons for the sharp decline. They said the overnight tone in New York accounted for the morning's \$40 permissible limit fall but the subsequent decline appeared to be simply a continuation of the recent bearish trend. ...
With manufacturers still showing few signs of any buying interest many traders are becoming convinced that the present price slide represents a genuine turn-around in trend and that a recovery has been around for some days. They are not thought to have been significant in yesterday's fall.

Aluminium increase forecast

By John Edwards, Commodities Editor

ALUMINIUM PRICES are expected to rise during the 1977-80 period at an average annual rate of 3.0 per cent, according to a Bank of America report out yesterday. It said the relatively large price increases forecast were attributable to favourable market conditions for producers and higher output costs. ...
But the report predicted that market conditions would be more of an influence on aluminium prices than would production costs. ...
World aluminium production was forecast to rise 8 per cent last year, compared with 3 per cent in 1976. ...
During the period to 1980 production facilities were expected to expand by only 4 per cent, annually on average below the projected growth in consumption. ...
The new economic and review panel will comprise four representatives each of consuming and producing countries and the chairmanship of Mr. Peter Lai, the ITC executive chairman. ...
The announcement was made in the middle of the council meeting in London yesterday. Bolivia's decision will be greeted with approval by supporters of international commodity agreements. It was feared that if the UN Agreement—the most successful of the commodity pacts—collapsed this would severely prejudice the chances of concluding other similar agreements.

Trade of mysteries and rising prices

BY BERNARD SIMON

IT'S JUST as well spices make up a small fraction of the average housewife's food budget. There is no such thing as a cheap spice now, noted one London trader this week. ...
Recent rises in cocoa, coffee and tea prices have been matched by the bounding prices for some spices. ...
What is more, as a result of the comparatively low stocks of spices held by most super-markets, packers and grinders, price increases on the primary markets filter through relatively quickly to retail outlets. ...
This is bound to lead to shortages. While Sarawak farmers normally harvest black and white varieties in roughly a 60-40 proportion, it is expected that production this year will be 80-20. ...
The quantity of black pepper available for export to the West has appreciably tightened its grip in recent years on the international pepper trade. ...
Although there is no futures market in pepper, there is ample scope for speculation in physical contracts. And it is thought that some of the recent pressure on prices for another as a result of attempts to cover earlier short sales and by producers' efforts to buy back oversold material. ...
Burgeoning pepper prices have spurred demand for substitute spices, especially chillies. ...
But pepper substitutes—and other spices—have their own price problems. Uganda, formerly an important exporter of chillies, has produced very little in recent seasons. ...
East Africa (mainly Zanzibar and Madagascar) has also in the past been a leading supplier of cloves. ...
Poor weather in Nigeria and Morocco has struck ginger and turmeric supplies, while smaller Indian cardamom and turmeric crops have kept prices for these spices high. ...
And most important in the long-term, rising consumption in spice producing countries and the Middle East is likely to provide a good support for almost all spice prices.

Bolivia agrees to ratify tin pact

By Our Commodities Staff

BOLIVIA has agreed to ratify the fifth International Tin Agreement, it was announced in London yesterday. ...
As a result the International Tin Council has established an economic and price review panel to conduct periodic reviews of offer stock floor and ceiling prices. ...
The new economic and review panel will comprise four representatives each of consuming and producing countries and the chairmanship of Mr. Peter Lai, the ITC executive chairman. ...
The announcement was made in the middle of the council meeting in London yesterday. Bolivia's decision will be greeted with approval by supporters of international commodity agreements. It was feared that if the UN Agreement—the most successful of the commodity pacts—collapsed this would severely prejudice the chances of concluding other similar agreements.

Harvested

Various supply-demand pressures justify some increases in spice prices. ...
But traders fear that other factors are destabilising the market, and they are at a loss to explain the complete drying-up in recent weeks of pepper supplies from Singapore and Sarawak, the two chief trading points. ...
Pepper is by far the most important spice in terms of production and trade. Supplies from Sarawak and Indonesia—which produce half the world's annual pepper output of around 120,000 tons—are normally harvested at this time of year before the new crop is harvested. ...
The steep price rise despite three successive good harvests to Sarawak and Indonesia suggests some deliberate withholding of pepper from the markets. ...
Moreover, by selling only through officially appointed agents, the Indonesian Government has appreciably tightened its grip in recent years on the international pepper trade. ...
Although there is no futures market in pepper, there is ample scope for speculation in physical contracts. ...
Burgeoning pepper prices have spurred demand for substitute spices, especially chillies. ...
But pepper substitutes—and other spices—have their own price problems. ...
And most important in the long-term, rising consumption in spice producing countries and the Middle East is likely to provide a good support for almost all spice prices.

Slashed

East Africa (mainly Zanzibar and Madagascar) has also in the past been a leading supplier of cloves. ...
Poor weather in Nigeria and Morocco has struck ginger and turmeric supplies, while smaller Indian cardamom and turmeric crops have kept prices for these spices high. ...
And most important in the long-term, rising consumption in spice producing countries and the Middle East is likely to provide a good support for almost all spice prices.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metals (Gold, Silver, Tin, Lead, Zinc, Copper, Nickel, Cobalt, Platinum, Palladium) and various price points for different grades and origins.

COCOA

Table showing cocoa prices for different grades (Baker's, Standard, etc.) and origins (Cote d'Ivoire, Ghana, etc.).

COFFEE

Table showing coffee prices for different grades (Arabica, Robusta) and origins (Brazil, Kenya, etc.).

PRICE CHANGES

Table listing price changes for various commodities such as Metals, Grains, and Rubber.

COCA

COCA is a... (Detailed report on the cocoa market, including price movements and market sentiment.)

COFFEE

COFFEE is a... (Detailed report on the coffee market, including price movements and market sentiment.)

U.S. Markets

U.S. Markets... (Summary of market activity and price changes in the United States.)

COCA Coffee Silver Tin... Advertisement for a trading company specializing in cocoa, coffee, and tin markets.

SOYABEAN MEAL... Advertisement for a trading company specializing in soyabean meal and other agricultural commodities.

FINANCIAL TIMES... Advertisement for the Financial Times newspaper, highlighting its financial news coverage.

PERSONAL... Advertisement for a service offering personal and business assistance, including legal and financial advice.

Wool Futures... Advertisement for a trading company specializing in wool futures and other textile-related commodities.

ARGENTINE BEEF EXPORT HOPES... Advertisement or report discussing the prospects for Argentine beef exports and the impact of international trade policies.

STOCK EXCHANGE REPORT

Tentative late buying towards end of Budget speech leaves index up 8.8 at 420.4-Gilts firm on MLR hopes

Account Dealing Dates
Option
First Declara- Last Account
Dealings Dealings Day
Mar. 14 Mar. 24 Mar. 25 Apr. 5

buyers were anticipating
Minimum Lending Rate being cut
this week. Although the demand
was relatively small compared to
the recent start, it still had the
effect of lifting quotations by a
maximum of 1/4 as in Exchequer
13 per cent, 1950, at 10 1/4.

little further ground in the late
dealings and finished 4 up at 18 1/4
against British Home Stores, 150p,
and UDS, 73p. Elsewhere,
Formister continued in demand,
rising 5 more to 85p. Raybeck
was favoured at 44p, up 3, while
E. Upton-A also found buyers
and improved similarly to 22p.

After having hardened to 45p
above of the preliminary figures,
Savoy Hotel "A" moved further
ahead on the record, profits and
closed 4 up at 47p. Grand Metro
politan ended 2 1/2 up at 75p.
Centra Hotels (Cranston), at 36p,
gave up 2 of the previous day's
gain of 6.

buying lifted Orley Printing
fractionally to 15p; the latter's
preliminary results are due on
April 20.
Late news of the increases in
both petrol and road tax duties
upset the Oil leaders which earlier
had risen impressively in more
animated trading. Sentiment in
British Petroleum was also
affected by the Chancellor's
announcement that the ex-Burmah
stake would be sold in the coming
financial year; up to 30 1/2 during
the day. BP reacted quite
violently to 85p before reversing
the overnight level of 73 1/2,
while Burmah gained 3 to 65p on
hopes that it would receive some
compensation when the sale is
effected. Shell came back from
40 1/2 to 47 1/2, prior to closing at
40 1/2 higher, at 49 1/2, while Royal
Dutch improved 1/2 to 44 1/2.
Secondary issues briefly edged
away from the best prices, too,
but Ultramar still ended 8 firm
at 14 1/2, and Berry Wiggins 4
dearer at 35p; a few buyers found
stock rather difficult to obtain in
the latter and this eventually
aroused old rumours of bid possi-
bilities. Shebena (U.K.) recovered
on 7 and 3 respectively.

Turner & Newall up
Already on a rising trend, the
miscellaneous Industrial leaders
moved into higher ground.
Hawker Siddeley ended 12 higher
at 52 1/2, while Tube Investments
rose 6 to 40p. Contracting issues
took on a better appearance, with
Taylor Woodrow regaining 6 to
29 1/2, and Vickers, 17 1/2, both im-
proved 4. Continued bid specula-
tion pushed Tecumseh up 7
further to 85p, but Williams and
James encountered bid-taking
and reacted 1 1/2 to 16 1/2 after the
recent rise on the results. Metal-

FINANCIAL TIMES STOCK INDEX
Table with columns for various stock categories and their respective values.

HIGHS AND LOWS S.E. AC
Table showing high and low prices for various stock categories.



changed except for short-dated
issues which showed a rise to 1.
dealings are likely to open
today with quotations at the long
end of the market up to 1/2 higher.
Buying of equities in the late
trade was generally for a firm market
of buyers towards the end of
Mr. Healey's speech. Having
steadily hardened to show a gain
of 5 points at 2 p.m., the FT 30-
share index was a net 4 1/2 up on
a four later and the close, taken on
prices at 5 p.m. and shortly after-
wards was 32 1/4 for an overall
rise of 8.8. This goes against the
loss of 15.6 in the three previous
trading sessions.

Chemicals responded to the in-
creased dividend and record
profits with a rise of 5 to 12 1/2.
M. K. Electric good
MK Electric came to the fore
in Electricals, finishing 10 higher
at 150p in response to revised
dividend and record profits. Pre-
Holdings, still reflecting last week's
better-than-expected results, rose
8 to 65p, while Ultra Electronics
were finally 4 higher at 32 1/2p
following the announcement that
Dorby's bid is not to be referred
to the Monopolies Commission.
The higher interim dividend and
profits put AB Electronic Com-
ponents 4 better at 8 1/2p, while
small buying in this market left
Pathow 3 harder at 15 1/2p and
United Scientific 6 to the good at
18 1/2p. The leaders were quietly
firm. Plessey edged up 2 to 7 1/2p,
while General Electric, 17 1/2p, 15 1/2p,
and BICC, 10 1/2p, all finished
3 dearer. Reflecting Overseas
advice, Philips Lamps were
marked up 2 1/2 to 85p.

Leading Stores traded quietly
during official dealings but were
inclined firmer in the after-hours
trade in the absence of any
increase in VAT. Marks and

tax encouraged 1 to 19 following
the bargained annual statement,
while bid hopes prompted a
further rise of 5 to 7 1/2p in
L. Gardner. Ahead of to-day's
results, Spirax-Sarco met with
fresh demand and put on 4 more
to 18 1/2p. Continuing speculation
of an increased offer kept Herbert
Morris well to the fore and the
close was 9 higher at 24 1/2p; this
compared with the offer of 20 1/2p
from Babcock and Wilcox, which
closed 2 dearer at 7 1/2p. Acrov
"A" were firm at 6 1/2p, up 3p, while
small gains were achieved by
Amalgamated Power, 7 1/2p,
Blackwood Hodge, 8 1/2p, and
Products improved 4 to 6 1/2p ahead
of to-day's interim figures. Among
smaller-priced issues, Erox
hardened 2 to 3 1/2p and Howard
garnered a similar amount to
4 1/2p.

North Sea-orientated
News papers benefited from the
Thames Organisation, at 45p,
recovered 5 of the previous
day's loss of 7. Paper/Printing
were quiet and rarely altered.
Inveresk closed a penny better at
55p on consideration of the
man's statement while small

affected among the
issue also showed a
at 22, Harlebeck
amount off at a 1 1/2
Low priced stock
to 60p, while a small speculation
in the market increased first-
hand deficit, were the exception in
to 33 1/2p.
Textiles which otherwise moved
higher ground. Leeds Woollen
moved with a rise of 4 to 60p,
while gains of 3 were seen in
Northampton Manufacturing, 55p,
200p per share. Bernard Sully
were another subject to continuing
bid speculation and rose 3 1/2 to
55p, while Peasey regained 2 1/2
more ahead of to-day's prelimi-
nary figures. Law Land, however,
met with a disappointing reception
to its annual results and fell
2 1/2 to 45p. Elsewhere, Eastwood
and Stock Conversion, a like-
amount to 18 1/2p, while MEPC, 30p,
and British Land, 39p, both
hardened the firm. Great West
put on 4 to 21 1/2p, but there was
little evidence that the sector
was reacting in the prices at the
renewed hope of an early resump-
tion of the recent downward
trend in interest rates.
Paterson Zochow & A. 21 1/2p,
group of 25p which followed the good
interim statement and news that
the Treasury had excluded the
company from dividend controls
because of its status as an over-
seas investor.
Investment Trusts had little to
commend them. Fleetcar hardened
the 18 1/2 share cash offer.
From Dewey Day, Derby Trust
Capital remained firm, rising 5 1/2
to 12 1/2p for a two-day gain of 9 1/2.
Small buying raised Selected Risk
to 10 1/2p, in Finland.
Thomas Jordan's firm 2 to 12 1/2p
in front of to-day's prelimi-
nary results.
Shippings had a firm appear-
ance following some small buy-

Gold continues lower
The continued weakness of the
pound sterling, which closed at
\$147.87 1/2, a two-day drop of
\$3.75 per ounce caused South
African Golds to be ground for
the start of consecutive trading
sessions. The initial firmness of the
metal price at the morning fixing
modest gains in early trading, but
the subsequent fall, and after a
brief recovery, left prices down on
balance. They generally closed at
the day's lowest levels. The Gold
mines index dropped 2 1/2 to 129 1/2
from 132 1/2 at the start of the
session.
Shippings had a firm appear-
ance following some small buy-

RISES IN
VESSEL
RATES
These indices are the joint compilation of the Financial Times, the Institut
and the Faculty of Actuaries

Short Gilts rise
A slightly more confident tone
to short-dated British Funds was
indicative of an expected early
resumption of the trend towards
lower interest rates and some

Little of interest occurred in
the Building sector. Along with
the other leaders, APC gained a

increase in VAT. Marks and

interest lifted Avana 11 to 24 1/2p.

RECENT ISSUES

Table of Recent Issues: EQUITIES, listing various stocks and their prices.

Table of Recent Issues: FIXED INTEREST STOCKS, listing various interest-bearing securities.

Table of Recent Issues: "RIGHTS" OFFERS, listing rights issues and offers.

Table of Recent Issues: ACTIVE STOCKS, listing active stocks and their performance.

Table of Recent Issues: NEW HIGHS AND LOWS FOR 1977, listing new highs and lows for 1977.

FT-ACTUARIES SHARE INDEX

These indices are the joint compilation of the Financial Times, the Institut and the Faculty of Actuaries

Table of FT-Actuaries Share Index: EQUITY GROUPS, listing various equity groups and their performance.

Table of FT-Actuaries Share Index: FIXED INTEREST, listing various fixed interest securities.

Table of FT-Actuaries Share Index: OPTIONS TRADED, listing various options traded.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Unit Trusts including: Unit Tr. Mgrs. Ltd., Hambro Group, and various investment funds with columns for fund name, manager, and performance metrics.

Table of Offshore and Overseas Funds including: Fidelity Mgmt. & Res., British Overseas, and various international investment funds.

Table of Offshore and Overseas Funds (continued) including: Key Fund Managers, British Overseas, and various international investment funds.

Table of Offshore and Overseas Funds (continued) including: Key Fund Managers, British Overseas, and various international investment funds.

Table titled 'BASE LENDING RATES' listing various banks and their respective lending rates for different terms.

Table titled 'BASE RATE' listing various banks and their respective base rates for different terms.

Table titled 'INSURANCE, PROPERTY, BONDS' listing various insurance and investment products with their respective details.

Advertisement for Italian International Bank, highlighting their base rate for lending and contact information.

Advertisement for Italian International Bank, highlighting their base rate for lending and contact information.

Advertisement for Insurance Base Rates, providing a summary of insurance and investment options.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for High, Low, Stock, Price, Div, Yld, and various fund names like Treasury, Income, and Growth funds.

Over Fifteen Years

Table showing performance of funds over a fifteen-year period, including columns for High, Low, Stock, Price, Div, Yld, and fund names.

Updated

Small table of updated fund data with columns for High, Low, Stock, Price, Div, Yld, and fund names.

INTERNATIONAL BANK

Table of International Bank data with columns for High, Low, Stock, Price, Div, Yld, and bank names.

CORPORATION LOANS

Table of Corporation Loans with columns for High, Low, Stock, Price, Div, Yld, and loan details.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for High, Low, Stock, Price, Div, Yld, and loan details.

FOREIGN BONDS & RAIS

Table of Foreign Bonds & Rais with columns for High, Low, Stock, Price, Div, Yld, and bond details.

AMERICANS

Large table of American stocks with columns for High, Low, Stock, Price, Div, Yld, and various company names.

CANADIANS

Table of Canadian stocks with columns for High, Low, Stock, Price, Div, Yld, and company names.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for High, Low, Stock, Price, Div, Yld, and company names.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for High, Low, Stock, Price, Div, Yld, and company names.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for High, Low, Stock, Price, Div, Yld, and loan details.

AMERICANS

Large table of American stocks (continued) with columns for High, Low, Stock, Price, Div, Yld, and various company names.

BUILDING INDUSTRY—Continued

Table of Building Industry stocks with columns for High, Low, Stock, Price, Div, Yld, and company names.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for High, Low, Stock, Price, Div, Yld, and company names.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for High, Low, Stock, Price, Div, Yld, and company names.

DRAPERY AND STORES

Table of Drapery and Stores with columns for High, Low, Stock, Price, Div, Yld, and company names.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for High, Low, Stock, Price, Div, Yld, and company names.

DRAPERY AND STORES—Continued

Table of Drapery and Stores (continued) with columns for High, Low, Stock, Price, Div, Yld, and company names.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for High, Low, Stock, Price, Div, Yld, and company names.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools with columns for High, Low, Stock, Price, Div, Yld, and company names.

DRAPERY AND STORES

Table of Drapery and Stores with columns for High, Low, Stock, Price, Div, Yld, and company names.

DRAPERY AND STORES

Table of Drapery and Stores with columns for High, Low, Stock, Price, Div, Yld, and company names.

DRAPERY AND STORES

Table of Drapery and Stores with columns for High, Low, Stock, Price, Div, Yld, and company names.

ENGINEERING—Continued

Table of Engineering (continued) with columns for High, Low, Stock, Price, Div, Yld, and company names.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools with columns for High, Low, Stock, Price, Div, Yld, and company names.

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ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools with columns for High, Low, Stock, Price, Div, Yld, and company names.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for High, Low, Stock, Price, Div, Yld, and company names.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for High, Low, Stock, Price, Div, Yld, and company names.

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Table of Food, Groceries, etc. with columns for High, Low, Stock, Price, Div, Yld, and company names.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for High, Low, Stock, Price, Div, Yld, and company names.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for High, Low, Stock, Price, Div, Yld, and company names.

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Table of Hotels and Caterers with columns for High, Low, Stock, Price, Div, Yld, and company names.

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INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) with columns for High, Low, Stock, Price, Div, Yld, and company names.

Handwritten text in Arabic script: "مركز الاستثمار"

INDUSTRIALS - Continued

Table of industrial stocks including sectors like Motor and Cycles, Commercial Vehicle, Components, Garages and Distributors, Newspapers/Publishers, Paper/Printing/Advertising, and Insurance.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including sub-sections for Motor and Cycles, Commercial Vehicle, Components, Garages and Distributors, and Paper/Printing/Advertising.

PROPERTY - Continued

Table of property-related stocks and financial trusts, including sections for TRUSTS - Continued, TRUSTS - Finance Land, and TRUSTS - Investment Trusts.

TRUSTS - Continued

Table of various trust stocks, including sections for TRUSTS - Continued, TRUSTS - Finance Land, and TRUSTS - Investment Trusts.

MINES - Continued

Table of mining stocks, including sections for MINES - Continued, CENTRAL RAND, EASTERN RAND, and FAR WEST RAND.

DAIWA SECURITIES advertisement with logo and text.

MINES - Continued and CENTRAL RAND table.

AUSTRALIAN TINS table.

OVERSEAS TRADERS table.

RUBBERS AND SISALS table.

TEAS table.

India and Bangladesh table.

Sri Lanka table.

MINES - CENTRAL RAND table.

MINES - EASTERN RAND table.

MINES - FAR WEST RAND table.

MINES - O.F.S. table.

FINANCE table.

DIAMOND AND PLATINUM table.

NOTES: Unless otherwise indicated, prices and net dividends are in pence and denominated in pence or shillings.

REGIONAL MARKETS: The following is a selection of London quotations for shares previously listed only in regional markets.

Regional Markets table listing various regional stocks.

Options: 3-month Call rates.

